

EDUCATIONAL INTERESTS AND NEEDS OF
OWNER-MANAGERS
OF SMALL BUILDING FIRMS

by
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ABSTRACT

This thesis discusses a critical investigation into the educational needs and interests of owner-managers of small firms. The investigation attempted to determine, from the viewpoint of the small business owner-managers, those critical factors which affected and influenced their interest in and appreciation of education and training, as well as identifying areas of interest for future training.

A survey was taken of a small sectoral sample of 58 building firms within the Central Belt of Scotland, 20 of whose owner-managers were assessed in detail using the Repertory Grid and Personal Project techniques.

The results of the study indicated a general lack of interests in education and training among the small business owner-managers sampled. These lack of interests were influenced by seven major factors; owner-managers evaluation of education and training, their attitudes towards education and educational establishments, personality characteristics, limitation of resources, lack of formal education, lack of awareness of educational provisions and the characteristics of training provider. Other important factors influencing training were the timing of courses, the identity and reputation of training personnel and the course format.

In terms of areas for future training, the ten most important areas were identified by the owner-managers. These were, in ranked order of interest; Production Planning and Control, Site Organisation, Employee Supervision, Cost Control, Business Planning, Working Capital Management, Health and Safety, Quality Control, Estimating and Costing and Financial Planning.

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CHAPTER ONE

INTRODUCTION

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Introduction

1.1 The Statement Of The Problem

A great deal of activity has been expended by training providers, both public and private, on training and educating the small businessman. The rationale behind this undertaking was the belief that competent management capabilities within the small business sector will assist the creation of more efficient 'new enterprises' and the development of existing ones. There is a general agreement among small business researchers and educators that improved management performance and efficiency can be achieved through owner-managers' participation in management education and training programmes (1). Consequently, numerous educational and training provisions were offered with the prospect of improving both the managerial and technical capabilities of the entrepreneur and the 'would be' entrepreneurs.

The success of these provisions, however, has been mixed. Some courses seem to succeed while many others failed due to the lack of response from the small businesses. Generally, interest in training within this sector of the economy was lacking. The responses of small businesses to training currently on offer are often distressing. This is one of the major challenges currently facing the education and training services sector, that is, the task of attracting the small entrepreneurs.

The difficulty of reaching the small business owner-

managers has been voiced by a number of researchers. The negative views held by the entrepreneurs towards education and training is well documented in the literature (2) (3) (4) (5) Surprisingly, however, little research has been done to examine the reasons for this lack of interest, and the few studies that are available had not produced conclusive evidence. The central questions were "Why are some owner-managers interested in training while others are not?"; "What are the determining factors which shape and influence their perceptions of needs and interests in education and training?"; "Who tends towards the usage and appreciation of education and training, and why?". In short, "Are there certain customers for small business programmes that are, because of certain factors, more predisposed towards using education and training?". The answers to these questions are essential in assisting training providers in finding ways to attract their small business audience. Further, it will allow them to be better able to identify a more promising target market for training provisions.

1.2 The Purpose Of The Research

This investigation was undertaken in recognition of the need for more research in the area of small business education and training. It was intended to provide a better knowledge of and information about the management education and training needs of owner-managers of small building firms and the factors which affected their interest in education and training. Specifically, it attempted to uncover the underlying

motivations which affected owner-managers' attitudes to education and training, with a view to attracting them to take part in future training provisions.

There were 3 major areas of inquiry:

1. What are the current interests of owner-managers of small building firms in attending education and training courses?
2. What are the factors which shape and influence their perceptions of need and interest in education and training?
3. What are the current management training needs of managers who are interested in training?

1.3 Objectives Of The Thesis

This thesis sets out to make two contributions to the research relating to small business development.

The first contribution centres on the question of "Why do some small business managers showed appreciation and interest in education and training while others do not"? Despite the increasing attention given to education and training for the small business, and the lack of response from the small business users, little research has been done to address this issue. This thesis makes a modest contribution towards redressing this deficiency.

The second contribution of this thesis, which is an

inevitable extension of the first, is to formulate a strategy which can assist providers in marketing their services to the small business customers more efficiently. More effective approaches, which are essential in reaching out to this highly demanding and often skeptical market, need to be established.

Last, but not least, the thesis proposes to identify educational areas which are of interest to the owner-managers of small building firms. The inventory of topics will be invaluable in assisting educators and training providers in their future programme offerings.

1.4 The Significance Of The Study

This study is meaningful both to training providers and small business owner-managers alike. Evidence of this significance is supported by the following propositions:

1. The results will identify important factors which shape and influence owner-managers interest in education and training. This information will assist providers to design more attractive training provisions.
2. The results will assist training providers in devising more effective strategies in the marketing of training programmes. It will also allow providers to identify a more suitable target market for their courses.

3. The study aims to provide evidence concerning the educational needs of small business managers. This information is useable in designing more appropriate curricula, thereby meeting the need of the small businesses.

1.5 Limitations Of The Present Study

An important issue is how much to generalise from the data and how much to qualify the conclusions. Descriptive research does not create laws and conclusions that apply beyond the subject matter described. Rather, it provides indicators for subsequent research to pin down and generalise. This particular study can be of important value in itself. The thesis can provide valuable information for designing and marketing training programmes to the small building firms, first of all in the Central Belt of Scotland but generally throughout the U.K.

The sample frame was the entire population of 1788 small building firms in the Central Belt of Scotland of between 1 to 25 employees derived from the list of builders in the Telephone Directory. Out of this population, 200 firms were sampled, of which 58 useable responses (29 percent) was received and 20 were selected for in-depth study. This sample is clearly biased. It is not drawn totally randomly and therefore does not represent all parts of the United Kingdom. Thus, there is danger in drawing conclusions about the universality of small businesses from the study.

1.6 Preview Of The Research

Chapter One of this thesis serves as an introduction to the research. This chapter is composed of a statement of the problem, the aims of the research, the significance of the study, the limitations of the present study and a preview of the research. Chapters Two and Three present a synthesis of the related literature. Previous investigations into small business education and training in general is presented in order of its relatedness to the subject of this study.

Chapter Four presents a discussion of educational issues relating to the small firms in the construction industry. Firstly, it discusses the nature of the construction industry and the contribution that small firms have made to the economy. Next, it examines past investigations into the educational needs of building firms and presented reasons why further research in this area is needed.

Chapter Five presents the methodology used in this research. It describes the sample population and the sampling frame selected, the data collection methods, the research instruments used in this study, and the procedures for analysis of the data. The detailed account of the execution of the Mailed Survey, the Repertory Grid Interview and Personal Project Technique is also given.

Chapter Six and Chapter Seven presents the statistical results of the study. In Chapter Six, the responses to the Main Questionnaire Survey are discussed in terms of their frequencies and percentages distributions. Next, the correlation between the major variables of the study were tested using 2 X 2 Contingency tables and Chi-Square tests. In

Chapter Seven, the results of the analysis on the Repertory Grid data and Personal Project data are reported. In these analyses, particular emphasis was given to the differences and similarities between respondents who were interested in education and training and those who were not.

Chapter Eight presents the conclusions of this study where the findings of this study are discussed. Lastly, this chapter suggests several areas which will benefit from additional research.

CHAPTER TWO
THE ENTREPRENEUR, SMALL BUSINESS AND
THE ROLE OF SMALL BUSINESSES.

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The Entrepreneur, Small Business And
The Role Of Small Businesses

2.1 Introduction

This chapter presents a review of related literature on education and training within the small business sector. The purpose of this review was to examine research reports and other literature pertinent to the objectives of the investigation. There were 3 major areas of inquiry: (1) The identification of the current interest of Owner-Managers of Small Building Firms in attending Education and Training courses; (2) The identification of factors which shape and influence their perception of need for and interest in Education and Training; and (3) The identification of the current management training needs of those who are interested in attending training courses.

The thesis follows the path of examining the environment in which small businesses operate before focusing on education and training needs. Much of the background covered is already well known and available in the literature. The purpose of the inclusion of some brief extracts in this thesis is to set the context for the reader and show the importance of the study for the economy as a whole.

The chapter begins with a discussion on the growth in interest in small business and entrepreneurship in the UK. This is followed by a discussion on the problem of defining small business, the difficulty of distinguishing the small business owner-managers and the entrepreneur, and presents

the view taken for this research. Next, it offers reasons why the small business sector is important to the economy and continues with a discussion on the problems facing this sector of the economy and the subsequent measures undertaken to assist the small businesses.

The succeeding section centers on the discussion of the small business education and training. It begins with a broad discussion on the management development needs of small firms and shows how the processes of management development in the small firms are different from those of larger businesses. This is then followed by a discussion on the reason for the particular emphasis on owner-manager development. Educational needs and interests of small businesses is considered next with a major emphasis given to the evidence found in the literature on the reasons for the owner-managers' reluctance to get outside help and their perceptions towards education and training. The chapter concludes by presenting reasons why further investigation in this area is needed.

2.2 Interest In The Field Of Small Business And Entrepreneurship

Interest in the field of small business and entrepreneurship in UK is fairly recent. Prior to the 1970's, it was largely unknown and interest in this sector of the economy was very limited. The small businesses as well as their owners were considered marginal (1). Indeed the small enterprise owner has been at a low ebb:

"....it is our impression that it may now be lower than it has ever been"(2)

The philosophy of the Government during the 1960's was one of bigness. Big was seen as beautiful and growth was seen as the key to the treasures of increased economies of scale. This is exemplified by their Industrial Policies which were aimed at stimulating conglomeration and amalgamation of businesses into larger units capable of exploiting the supposed economies of scale. Assistance to small business was ad hoc, emerging only as a by-product of policies towards industrial efficiency, training, technology and organisation targeted directly at these larger businesses (3).

Towards the end of the 1960's, however, confidence in big businesses began to deteriorate as a result of the decline in economic growth. Many of the industrial policies initiated earlier by the government achieved little success. Amidst mounting concern about the rise in inflation and rise in unemployment, the focus of attention began to shift in favor of the small enterprise sector. This sudden increase in attention has much to do with the political realities of recession and the politicians determined strategies to counter its effect. In this regard, Vale & Binks (4) commented:

"In view of the accepted argument of 'economies of scale', associated with large firms in large markets, it was indeed a desperate departure to sacrifice this rationale for a new approach that had no rationale",

for,

"There was no accepted theoretical under-pinning for a mechanism that might explain how increased numbers of new and small firms would impact upon the economy"

However, concern about the small business sector continued to grow. This was evidenced by the increasing volume of statements made by government spokesmen. Implicit in the rhetoric of speakers encouraging new and small firms was the suggestion that their proliferation would increase the amount of enterprise within the economy and that enterprise, in some unspecified sense, was good for the economy.

The appointment of a Committee in 1969 to investigate the problem of small firms and make recommendations signalled the beginning of an overt small business policy by the Government. The investigation by The Committee of Inquiry on Small Firms - better known as the Bolton Committee (2) - ended with the publication of 9 separate research reports in November 1971. The influence of the report on thinking about the role of small firms in Britain over the last decade would be difficult to overstate. The report has promoted an unprecedented and intense interest among politicians, academics, and the media in the small business sector. It can be seen as the beginning of modern research into small business in this country, though in fact, some of the most influential studies in the field were being conducted concurrently and independently (Ingham (5), Boswell (6), Stanworth & Curran, (7) are examples). The findings and recommendations of the Committee have formed the bedrock of virtually all research, analysis and policy making since.

Throughout the 1970's the popularity of small firms increased substantially. By the 1980's, in contrast, while it would be an exaggeration to argue that the small enterprise owner's role has returned to the status of economic hero, it is now seen much more positively. The status of the small

enterprise owners is revived. The government itself has openly and regularly encouraged self employment and the acceptance of self employment was very much affected. The traditional view of entrepreneurship was that entrepreneurs were born not made, but recent research challenges this idea and shows that, for some, self employment can be a part of a career development. Indeed, self employment has become a great deal more common since 1971.

2.3 Definition Of Small Business

What is a 'small business'? Defining what is meant by a small business is not only a prerequisite for research itself, but also required for realistic policy-making by national and local government (8). Unfortunately, this is not an easy task (9). The problem has been the subject of much debate for some time and still is a problematic issue in small business research (10). Just what should be taken as a small business remains imprecise.

John Bolton and his Committee of Inquiry of Small Firms (2) investigated a number of ways of defining small business. Their recognition was that small businesses cannot be compared as if they were homogenous entities and that their level of employment, turnover and output will all vary according to the kind of business, the market structure and the industrial sector in which they are placed. Recognising that one single definition will not cover all industries, services and distribution, the Committee used nine definitions for varying groups.

Internationally, a host of definitions exist, and they tended to be different from country to country (10)(11). They are based upon criteria such as number of employees, size of total assets, sales volume etc. It appeared that no two countries have the same definition of a small business and only a few countries had a legal definition of small enterprise. Neck (12), for example, quoted an American study in 1975 which identified more than fifty statistical definitions of a small firm in seventy five countries. Not surprisingly, he suggested that the criteria for 'small' should vary according to the context of the study or the purpose for which the definition is needed. Similar comments were also made by other researchers. Broom, Longenecker & Moore (13), for example, pointed out that;

"Specifying any size standard to define small business is necessarily arbitrary, for people adopt different standards, for different purposes. A business may be described as 'small' when compared to larger firms, but 'large' when compared to smaller ones. Most people would classify independently owned stores as small businesses. Similarly, most people would agree that the major automobile manufacturers are big business. And the firm of in-between sizes would be classified by many people as large or small on the basis of their individual viewpoint."

This suggested that the term 'small' is a relative one and the point at which any firm may justifiably be regarded as small, will vary with the general pattern of the size of firms within an industry (14). In their study on small firms in the Furniture and Timber Manufacturing Industry, Wilkie & Young (14) quoted the Central Training Committee on the Training Problems of Small Firms and agreed that the small

firm should be regarded as those employing less than 100 people. However there was no attempt to apply this definition rigidly. The Committee say that:

" It would be for the individual training board to consider the various techniques and methods described ... to see which seemed particularly appropriate for their circumstances."

The essence of these suggestions can be illustrated in Table 2.3.1. below.

In the United States, where the definition of small business has reportedly (15) been comprehensively investigated (Annual Report of the US Small Business Administration, 1982), the 1980 White House Conference definition was preferred, that is businesses employing 500 or less. Using this definition of small business which would include partnership and small corporations, 99 percent of all businesses would be classified as small. The main criteria, it was suggested, that distinguish small business is the distinction between enterprises (separately owned and occupied) and establishments (smallest units in which activity is conducted and which is available).

Since 1971 the Bolton statistical definition has increasingly been adopted in the UK. But, perhaps the most controversial and most often quoted definition for a small business in the literature is that offered for manufacturing firms - which remains the most studied of all varieties of small business. The Committee proposed that in this sector a small business was one with 200 employees or less. The upper limit of 200 adopted by Bolton has been challenged by several researchers, in fact, even before the Report was published as

TABLE 2.3.1: Definitions of Small Firms in the U.K.

(i) Statistical definitions of small business	
Industry Type	Definitions (upper limits)*
Manufacturing	200 employees or less
Retailing	£390,000 p.a. turnover
Wholesale	£1,560,000 p.a. turnover
Construction	25 employees
Mining or Quarrying.	25 employees
Motor Trade	£780,000 p.a. turnover
Miscellaneous Services	£390,000 p.a. turnover
Road Transport	5 vehicles
Catering	All except multiples and brewery managed public houses.
(ii) Specific definitions relating to government assistance	
Type of Assistance	Definition (upper limit)
European Investment Bank loans	500 employees
Proprietary company (proposed)	50 employees
Employment Act exemptions	20 employees
Council for Small Industries in Rural Areas (CoSIRA) aid	20 employees (skilled)
Export award	200 employees
Export visits	200 employees
Employment subsidy	200 employees
Computer aided production mgmt	200 employees
Industrial liaison service	500 employees
Consultancy scheme	500 employees (min. 25)
Collaborative arrangements (manufacturing)	200 employees
Manufacturing advisory service	1,000 employees (min. 100)
Companies Act disclosure exemption	1 exemption p.a. turnover
Proprietary company (proposed)	£1.3 million p.a. turnover
Value Added Tax registration	£15,000 p.a. turnover
Price code exemptions	£1 million (manufacturing) p.a. turnover £250,000 (distribution) p.a. turnover £100,000 (professions) p.a. turnover
Competition Act exemptions	£5 million p.a. turnover
European Investment Bank loans	£20 million (fixed assets)
Industrial Development Certificates (exemption)	50,000 square feet
Office Development Permits (exemption)	30,000 square feet
Proprietary company (proposed)	£650,000 (balance sheet total)
Small exporter policy	£100,000 (export value)
Corporation tax reduced rate	£80,000 (profits)

Source: M.E. BEESLEY and P.E. WILSON (1981), Government Aid to Small Firms in Britain, UKSBMTA Conference Paper, London.

* Note: Definition at June 1988 prices, taken from Dunne and Hughes, 1989 (16)

Batstone (17) and Ingham (5) demonstrated. Both authors opted for an upper limit of 100 persons, and later researchers, who at first accepted the Bolton Committee definitional recommendation, subsequently expressed doubts following their field experience (18)(19). The Committee was right when they argue that:

".....in retail distribution a firm employing 200 people would typically have at least 10 shops with a total turnover of several million pounds and would be very large in terms of the distributive trade."

- but it is equally true that, for example, a capital intensive high technology industry with 200 employees could also represent a very large company. Over the subsequent 20 years period, technological change have progressively led to increased capital ratios as well as a dramatic increase in the value of output/sales per person employed. Using a measure of output or sales turnover, firms employing 200 employees 20 years ago would need at most today some 100 employees to maintain its size (20). Increasingly, therefore, this limit of 200 employees was recognised as being far too high (8) although some researchers continue to use even higher limits. For example, Acs & Audretsch (21) imply an upper limit of 500 employees.

At the lower end of the size spectrum, results from a random sample of 909 members of a national household panel in the USA have indicated that more than three quarters of the respondents believed that the maximum number of employees which a business can have and still be called 'small' was 25 (22).

However, Curran and Burrows (23) pointed that quantitative definitions of small firm size imply a false homogeneity among the economic units being distinguished. These authors argued that:

"Quantitative definitions do have the appeal of precision but....this precision is often spurious".

Further, Curran and Stanworth (24) have suggested that often quantitative definitions have lead to a 'size-reductionism' in the explanations and interpretations offered. Building on the work of Rainnie (25) it was suggested by Curran and Burrows (23) that there is:

"...a need to ensure that small scale activities are conceptualised as a part of a wider economic order and not seen as isolated from or only dualistically related to it".

Moreover, they proposed a non quantitative approach to the problem of conceptualisation which combines legal independence with definitions of 'size' grounded in the meaning and experiences of those engaged in various kinds of economic activity.

These authors do, however, appreciate that:

"Of course, 'size' plays some part in the way the economic unit functions but only in relation to other factors...[economic or industrial sector(or sub-sector), technology, locality, labour and product markets or wider economic structure of the economy as a whole]...and often only in an indirect way as a mediating influence"(34, p.264-265)

For these reasons it seems that the Bolton Committee's (2) 'general' economic definition of what constitute small might well be more operational. The economic definition highlights those characteristics which make the performance of small firms significantly different from those of a large firm. The Committee suggested that true small firms are those that have a relatively small market share; a high degree of personalised owner management; and that the owner-managers should be free from outside control in taking their principal

decisions. Ganguly (15) encapsulates these three aspects of business life to which they refer:

A Small Firm has a relatively very small share of the market. The characteristic of a small firm market share is that it usually cannot calculate its market share, nor does it need to. It is not large enough to influence the prices or volumes sold to any significant extent, instead, carrying out for itself 'a proportion' of the market sufficient for survival. Associated with these will be the firm's ability to make an impact on the environment.

The firm is managed in a personalised way by its owner or part-owner. The **Personalised Management** not only means that the owner has control of the business himself, but is often active in all major decisions and activities in the business. There is little delegated authority and control and all strategy and planning rests with the owner. Associated with this point is the observation that the small business lacks structure and many have not grown to a size such that management continuity is assured.

- It is **independent** in that it does not form part of a larger enterprise and is free from outside control when making major decisions. Independent means that the owner-manager has control of the business himself. He is autonomous in decision taking and has no obligation to refer his decisions to any one else. Ideas, strategies and plans emanate from him alone. Associated with this is the notion of the lonely decision taker.

Will the adoption of this definition solve the problem? Probably not, for the specifics of the words could be debated and interpreted in varying ways. This point was made by Kiesner (26) when he says that:

"One could debate for years over a clean and commonly accepted definition of small business."

In short, this definitional issue remains unsolved in small business research. Small business researchers are in a

somewhat paradoxical situation for not being able to agree on just what it is studying or theorising. The reason for this unresolved definitional issue may be due, in part, to the lack of progress in database construction since 1971. The Census of Production, for example, which might be thought to provide an official and authoritative picture does not do so. In fact, it is not a 'census' at all since it fails to collect data on the vast majority of small enterprises in Britain (27) [The Census of Production no longer collects data on establishments employing less than 20. It only samples 1 in 4 of most of those employing 20 - 49 and 1 in 2 of those employing 50 - 99].

Nevertheless, it appears that this is no real barrier to their efforts in this growing and vigorous area of intellectual inquiry. As Curran (27) pointed out:

"Pragmatically, however, it may be argued that if those involved are broadly consistent in their approach and definitions are not wildly incompatible, research and analysis can proceed and valuable results be achieved".

2.4 The Small Business Owner-Manager and The Entrepreneur

In most media presentations, and even current research into small businesses, the term owner-manager, small businessmen and entrepreneur are used interchangeably. This is also true of their firms. It was established (28) that although there is an overlap between entrepreneurial firms and small business firms, owner-managers may well be entrepreneur or vice-versa.

Like the definitions of 'small firms', definition of the entrepreneur and enterprise have proved to be difficult to establish in a way that satisfies general criticism. Almost predictably, there has been little agreement amongst economists. Nevertheless, there have been a number of attempts by academics to at least bring order to the main theme of competing economic definitions put forward over the years. In this respect the contributions of Hebert and Link, as noted by Curran (29) have been particularly helpful. Hebert and Link isolated at least 12 distinct themes in the economic literature which relates to the entrepreneurs. According to Hebert & Link, the entrepreneur is a person who;

- 1) Assumes the risk associated with uncertainty.
- 2) Supplies financial capital.
- 3) Is an innovator.
- 4) Is a decision maker.
- 5) Is an industrial leader.
- 6) Is a manager or superintendent.
- 7) Is an organiser and coordinator of economic resources.
- 8) Is the owner of an enterprise.
- 9) Is an employer of factors of production.
- 10) Is a contractor.
- 1) Is an arbitrator.
- 12) Is an allocator of resources amongst alternative uses.

Generally, in the literature, being an entrepreneur has a positive connotation, as one who organises, manages and

takes the risk of a business or enterprise (30). An entrepreneur is someone who creates new findings and grows an enterprise into a larger concern. Schumpeter (31), identifying entrepreneurs as worthy of study, regarded entrepreneurs as those individuals whose economic function it was to carry out new combinations of means of production. Collin & Moore (32) commented that;

"The act of entrepreneurship is that of bringing ideas, skills, money, equipment and markets together into a profitable combination. The Economist, the Accountant, the Banker tend to look to these arrangements in terms of the financial and material resources involved; the entrepreneur sees always the bringing together of people into a new arrangement."

One important question here is whether all small businessmen are automatically entrepreneurs. The answer would seem to be 'Yes', but whether they then go on to form enterprising companies is quite a different question. Cartland et al (28) pointed out that there has long been an implicit assumption of the entrepreneur making a disproportionate contribution to the wealth of a nation. Yet, little has been done to isolate these individuals for further analysis. This suggests that to be an entrepreneur they have to continue to act enterprisingly long after the formation of their companies. The suggestion made by Cartland et al (28), Smith (33) and Lessem (34) is, given that the small business is a significant segment of the economies of countries, the wealth creating propensity of the entrepreneurial segment must be disproportionate. If entrepreneurs do incorporate innovation and growth then these might well deserve a disproportionate amount of support and research activity. This has been the

implicit recognition behind a number of educational courses (eg. the New Enterprise Programme). The recognition is also evident in the support of research into entrepreneurial types. But, as Sandberg and Hofer (35) said;

"New venture researches have made mixed progress toward understanding what type of person becomes an entrepreneur and little progress in predicting whether he will succeed or fail"

However, whatever label the entrepreneur is given, the distinction between 'entrepreneur' and 'owner-manager' conceptually remains blurred. There is a continuing tendency to use the former term to misleadingly include the latter or even as a label for anybody who runs any kind of small enterprise. This point was commented on by Thorpe (36) when he said that:

"...this failure to distinguish sufficiently between the two groups goes some way to explaining the current contradiction in research evidence on entrepreneurial type and small business development".

Thorpe further suggested:

"Even studies of entrepreneurial type may be misleading in their conclusion as they neglect to distinguish between business managers, entrepreneurs and small business owners.

In a similar manner, 'entrepreneurial training' and popular discussions of 'entrepreneurship' often imply, even if only vaguely, an economic innovator personality out to break the mould of existing ways of doing things. Of course there are entrepreneurs in this sense, but, as Curran (37) pointed

out:

"... a great majority of those who start, buy or inherit a small business are simply cloning existing, well proven business forms."

People go into business for all kinds of reasons. For instance, Storey (38), Binks and Jennings (39) and Armstrong et al (40) report that although a significant proportion of the new owner-managers indicated the desires for independence and opportunities for self expression as major reasons, between 20 - 50 percent felt 'pushed' into going it alone by prevailing circumstances, particularly job insecurity or redundancy. Yet, Baker (41) reported that many small retailers saw self-employment as just 'another job' while Lee (42) noted that over 80 percent of his study sample regarded self-employment as the only alternative to unemployment.

Self employment comes in many forms since there is hardly a sector of the economy in which the small enterprise is not strongly represented. Equally, owner-managers' backgrounds; education, class, gender, and ethnic origins - are highly varied. The notion that psychological tests can distinguish those more suited to self employment without taking into account the widely differing social and economic contexts in which self employment occurs, is highly implausible at the very least.

As in the case of this research, conclusions have been drawn from a sample of owner-managers, some of whom have developed their own businesses and others who have inherited the business. The focus here was not so much on the 'entrepreneurial' or 'economic innovator' or some other set of

personality traits, however measured, but on the owner-manager's occupational role. The successful performance of these roles requires some talent but, like most, it can be considerably enhanced by education and training. Further, it was suggested (43) (44) (45) these organisational roles were a more useful indicator of enterprise structure and business capacity. Therefore, despite the criticism put forward earlier, it was felt that a separate definition to distinguish between the two groups is unnecessary for the purpose of this study.

2.5 The Role Of Small Businesses In The Economy

Attitudes to small businesses have changed dramatically over the last 15 years and this was confirmed by the 1987-88 report of the Small Firms Service. In a foreword to the report, Small Firms Minister John Cope welcomed the Banks' New Schemes For Small Firms, as well as the support given to small firms by large businesses 'which recognised the importance of themselves working in a vigorous and flexible climate.'

Today, there is considerable and growing interest in redressing the economic imbalance and developing an 'enterprise culture'. There have been a growth in agencies to assist growth and new business formation. The Government, through the Department for Enterprise (then The Department of Trade and Industry), Department of Employment and various other Departments, is taking the lead in providing help and assistance.

There are several reasons why the government believes

that small firms are important to the economy. These are as follows:

2.5.1 Creation Of New Jobs

The contribution of the small firm sector in employment creation has long been recognised by the government. In fact, this is said to be the main reason for the increasing national political interests in the sector (46). It has been suggested (47) for example, that between 1969 and 1976, 66 percent of net new jobs in the US were created by firms employing fewer than 20 people and that 80 percent of net new jobs were created by firms employing under 100 people. In the UK, Gallagher & Stewart (48) and Doyle & Gallagher (49) applying similar techniques to data covering the period 1971 - 1981, have concluded that 36 percent of gross new private sector jobs were created by firms employing fewer than 20 people and 52 percent by those employing under 100. Smaller figures for the UK are to be expected because small firms form a smaller proportion of employment here. There are also marked differences in economic structure and culture which can be expected to lead to a different outcome. Notwithstanding these qualifications, these studies have had a major influence on policy making.

The remarkable figures for the US made by Birch (47) are controversial. The claims were subsequently challenged by Armington and Odle (50). In the UK, the work of Gallagher and colleagues was unable to replicate completely the research methods developed in the US. This helped to provide

controversy in the UK because the information available on the very smallest company in the UK is of a much lower quality than that for large firms.

However, some clear remarks can be made by general consent. The controversy was about size of job creation in small firms and not whether any jobs were created in particular sectors. A variety of UK and international sources provide evidence to support the general proposition that employment in small firms has been increasing markedly. The growth in employment in small firms is a widespread phenomenon.

The present UK Government clearly sees this sector as playing an important role in job creation (46) (51). The economic restructuring in the 1980's has greatly increased the importance of small enterprises in the UK economy (52) (53). The small business sector was substantially regenerated with a high rate of start-ups, seemingly no decline in failure rates and a growth in the net employment in existing small firms particularly those with under 20 employees (54). For example, Bannock and Daly (55) estimated there were around 2.5 million businesses in the UK in 1986 employing less than 20 people and these accounted for 36 percent of private sector employment. However, a substantial proportion of these businesses were 'one person businesses' that is, self employed people employing nobody else directly. But even if all these one person businesses were excluded, firms with 1 to 19 employees were still responsible for 32 percent of private sector employment (55).

However, what the above does not indicate is the remarkable trend in the 1980's in small firms' importance in

UK employment. Bannock and Daly (55) argued that the share of total employment of firms with fewer than 20 employees rose from 27 percent in 1979 to 36 percent in 1986. Other research, for example, that of Gallagher et. al. (56) indicates that over the 17 year period between 1971 to 1987 small firms were net generators of jobs and large firms net losers. As the latter author concludes;

"...the process of concentration in British Industry which has taken place in this century has now gone into reverse..".

All the signs are that since 1987 the above processes have accelerated. For instance, the net increase in the number of businesses registering for VAT (likely to be mainly small businesses) averaged a little over 500 a week in 1986: the most recent data reports that this has risen to almost 1700 a week in 1989 (57).

2.5.2 Innovation And Growth

Small firms are not only important because of the number of people employed. There is ample evidence to suggest that many new goods and services, and improvements to existing goods and services, begin their lives in small companies (see for example Rothwell (58)). Often, in fact, new products may be the creation of a single entrepreneur, who sets up a company in order to produce and distribute this product. The motor car and the jet engine, the hovercraft and polaroid camera, the wireless, are all examples of important products

which were first manufactured and developed in small companies.

It would be a mistake, however, to believe this to be a characteristic of small firms generally. The work of Rajan and Pearson (59) showed that the great majority of small firms were not technologically innovative. Fewer than 10 percent of small firms responding to an industry wide survey introduced new technology into their businesses on a significant scale between 1982 and 1984. But those which were growing rapidly were often the ones which were introducing new products and tackling new markets both within the UK outside their immediate locality and overseas. This strong innovative contribution of a small proportion of small firms more than outweighs the lack of innovation by the majority. It was argued that this contribution could be even greater if some of the restrictions on the development of the innovatory small businesses could be removed and businesses which undertake little innovation could be motivated to do so.

2.5.3 Flexibility

New ideas and inventions are not enough in their own; it is crucial that the right ones are selected and pushed through. Such creation often faces serious problems when it is created by someone working in a large organisation. It is a common experience that as a firm expands there is a loss of flexibility in policy. The individual to be consulted in formulating policy, and those to be informed when it is settled, grow in number. The more levels in the hierarchy, the

greater the difficulty of communicating what is required. The more departments there are, the greater the difficulty of maintaining harmony between the operations of those whose only contact may be by written report. Yet, what is often needed with new ideas is single mindedness of purpose and a determination to succeed.

Developing and introducing a new product requires flexibility by someone who has vision, initiative and enterprise; ideally someone in a position to try it this way or that without being answerable to anyone except himself, and an ability to react and to change quickly. All these are the hallmarks of the small business. Flexibility or the ability to shift its resources quickly to accommodate sudden changes in product demand, or to seize opportunities is one of the greatest advantages the small firm has over its larger competitor.

In large companies, change is disproportionately expensive. In contrast to the small firms, there is a limited reward for those who back a success; there is a possible disaster for backing a bad idea, and no one will know if you reject a good one. Inevitably, playing safe is an unconscious but predictable reaction.

2.5.4 Promotion Of Competition And Market Dynamism

It is argued that a high degree of market concentration leads to economic inefficiency. This argument can be interpreted in the static sense meaning that monopoly power leads to misallocation of resources. It can also be

interpreted in terms of dynamic efficiency. In this sense it can be argued that monopoly powers leads to complacency, which in turn leads to a slower rate of technological progress than would otherwise be possible. It is hence argued that small firms are a necessary competitive spur to existing oligopolists; that their existence is proof that market entry is possible; hence the presence of small firms itself guarantees a certain market dynamism.

2.5.5 Provision Of Complementary Services

Small firms are a necessary complement to the economies of scale offered by large firms. There are markets for many products and services that large firms, for several reasons, find uneconomic to enter.

In addition to filling markets considered too small by the larger partners, there is also the issue of large-small relationship. For example, large scale modern processing industries cannot effectively survive without an appropriate 'hinterland' of small, user-oriented firms and an industrial fabric marked by a wide network of subcontracting relations between large and small firms.

2.5.6 Enhancement Of Social Balance And Individual Freedom

The distribution of economic power through a system of small firms leads to a more favourable distribution of power

in society in general. The existence of small firms has positive effects on political and social stability. Conversely, it is often held that excessive concentration of economic power has unfavourable and destabilising effects in the long run.

The existence of small firms has also been said to contribute to individual freedom. This fact appeared to be substantiated by a Gallup Poll - The Self-Employed Report - which says 76 of those polled thought that self-employment gave them more control.

2.5.7 They Have An Excellent Record Of Industrial Peace And Harmony

The quality of working life in small firms is sometimes said to have certain advantages over works in large firms. Relations are less impersonal, and there is more direct relation between an individual's effort and the final output of the firm. Evidence suggests that small firms are less 'strike-prone' than their larger counterparts.

2.6 Problems Facing The Small Businesses

Unfortunately, not all is well in the small business sector. The sector has been faced with severe difficulties and tremendous failure and turnover rates during the past few decades. Although the number of small firms has been increasing in recent years, their actual impact has been

declining.

In 1988, for example, approximately 120,000 businesses failed, some 40 percent of which had been established for less than three years. The Small Firms Division of Trade and Industry (60) estimated that only between 40 and 45 out of every 100 firms registering in any one year could be expected to still be in business after ten years, with the peak period for failure being the three years following registration, when up to three out of five of the businesses registering for V.A.T. in any one year could cease trading. The situation did not change very much over the years. Writing in 1987, Storey et al (61) were able to conclude that:

"It is a characteristic that of those new firms starting in business perhaps half will cease to trade within three years and the vast majority of those which remain in business will cease to exhibit any increase in employment once they are more than three or four years old."

One could question whether this is really something to worry about. Why should we care that small business is showing a decline in impact and importance in the economy? The fact that small businesses provides the bulk of innovation and also create the bulk of new employment should cause a great deal of concern. In addition there is also another serious concern of the social cost resulting from the difficulties and failures of small businesses. It is substantial, both in pounds and destroyed lives. Consider the fact that 1.7 million new registrations were reported (62) for the period between 1979 and 1989, and in 1989 alone 265,000 businesses was registered (63). This sounds very impressive, but on the other side,

1.4 million de-registrations were accounted for in the same period. Whilst registration and de-registration do not necessarily reflect economic birth and death, it is clear from other sources that these trends based on VAT Statistics are not particularly misleading guides in this respect. It is unknown how many of these businesses closed doors through bankruptcy, but the vast majority of these failures were small business operations.

Certainly some of the closings for reasons other than bankruptcy were a result of causes such as the death of the owner-manager, but it is estimated that most of these firms went out of business simply because they were 'not making it'. They were not returning a sufficient profit to justify keeping the doors open. The closings not only resulted in a cost to the taxpayers in term of liabilities and lost revenues, but will also cause tremendous cost to the lives of both the individual owners and their employees, their families and the nation as a whole. This is a terribly painful loss and the key question is; "Can something be done to reduce this extremely high mortality rate?".

2.6.1 Reasons For The Failure Of Small Businesses.

Before going too far in discussing what could be done to improve the situation, perhaps we should look at the causes of these failures and determine if, in fact, the problems and causes can truly be reduced.

A great many studies have been attempted by different researchers, using varying techniques to identify reasons why

small businesses failed. The London Business School Bibliography (64) can provide ample evidence of this. However, for the purpose of this investigation, only a proportion of this research will be examined.

The extensive analysis by Dun and Bradstreet (65), for example, offers the following tabular listing of the major causes of business failure. Although the analyses include all sizes of businesses, it is applicable in this study since most failures are of small firms.

Table 2.6.1: Apparent Causes of Business failure

Inadequate Sales	49.9 percent
Competitive Weakness	25.3
Heavy Operating Expenses	13.0
Receivable Difficulties	8.3
Inventory Difficulties	7.7
Excessive Fixed assets	3.2
Poor Location	2.7
Neglect	0.8
Disaster	0.5
Other	1.1

Source: Dun and Bradstreet, 1981

Dun and Bradstreet further break these management weaknesses down into four basic categories:

1. Incompetence - about 43 percent of the business owner-managers did not have the basic knowledge and skills to plan, manage and control their operations.
2. Lack Of Management Experience - about 13 percent did not have sufficient experience in supervisory job responsibilities to deal with the everyday on-the-job applications of management.
3. Unbalanced Experience - roughly 23 percent either had considerable formal education and little or no practical experience, or had extensive job experience but inadequate formal training to give meaning and perspective to their work experience.

4. Lack Of Industry Experience - About 14 percent had no previous experience in the particular industry in which the business was opened.

In their concluding remark, however, Dun and Bradstreet indicated that "managerial inexperience or ineptitude is the major factor underlying nine out of ten business casualties". This finding seem to support the earlier conclusions of Broom and Longenecker (66). Broom and Longenecker had already indicated that:

"among the many interrelated causes of business failure, perhaps the most important basic cause is a lack of skill in management".

They added that:

"In small business especially, management seems to be the number one problem of the entrepreneur. Often, the many ostensible causes of failure are merely reflections of the owner-manager's inadequacy".

They are not alone in this view. Further support for this belief came from Litvak and Maule (67) who reported of the managerial competence needed in a business which is so often lacking in small firms. They said that:

"Inadequate performance of management function, specifically as it relates to the effective decision making and planning, is a primary cause of failure....combined with a lack of experience coupled with psychological unpreparedness for the responsibilities of running a business".

Argenti (68) while not fully agreeing that "bad" management is the main cause of company failure, presented a

synopsis of the views of a number of writers and experts in the field of company failures in his book. Collecting the ideas together, he identified twelve important elements which he presented in the form of a list summarised as follows:

"If the management of a company is poor then two things will be neglected: The system of accountancy information will be deficient and the company will not respond to change. (Some companies, even well-managed ones, may be damaged because powerful constraints prevent the managers making the response they wish to make). Poor managers will also make at least one of three other mistakes: they will overtrade; or they will launch a big project that goes wrong; or they will allow the company's gearing to rise so that even normal business hazards become constant threats. These are the chief causes, neither fraud nor bad luck deserve more than a passing mention. The following symptoms will appear: certain financial ratios will deteriorate but as soon as they do, the manager will start creative accounting which reduces the predictive value of these ratios and so lends greater importance to non financial symptoms. Finally the company enters a characteristic period in its last few months.

In another study, Peterson, Kozmetsky and Ridgeway (69) conducted a nationwide study of a thousand small business owners to ascertain the causes of failure. They found that the reasons cited by his sample could be categorised into internally or managerially controllable causes and externally or non-controllable causes. However, he pointed out that, half of those who were interviewed cited internal problems as a primary cause of failure, the most frequent being lack of control.

The findings of Watkins (70) and Berryman (71) tends to lend support to the conclusion made by Peterson and his colleagues. In his study of over 200 small businesses, Watkins indicated that 82 percent of his sample owner-managers cited

facing crises in their business. He identified the major areas of crises as: Marketing (38.1 percent); Finance (31.2 percent); Managerial (13.0 percent) and Act of God (10.4 percent). This outcome is again reflected in the findings of Berryman (71). Berryman reviewed approximately 50 articles and 5 books on small business failure and bankruptcy suggested that the reasons for failure can be placed into six categories: Accounting; Marketing; Finance Problems; Other Endogenous; Exogenous Problems and the Behaviour of the owner. In both of these investigations, the major deficiencies are those areas which are within the control of the owner-managers.

Consistently, the DTI (72) came to the same conclusion when they declared that:

"The most common reason for failure is poor management in various guises - lack of business planning, lack of strategy, inadequate financial control and poor marketing".

More recently, the findings of Cromie (73) and Hall and Young (74) tend to confirm the views of the earlier researchers. In both cases, it was discovered that the major areas of difficulties showed consistent themes which corresponded largely with the functional areas which falls within the responsibility of the owner-managers.

It is particularly interesting to note from these short reviews that there seems to be a consensus among researchers that most of the problems facing the small firm sector are associated with the owner-managers lack of management skills. Many of the problems can be linked to the deficiencies in the owner-manager himself. These weaknesses in the management of

small firms have already been noted by the Bolton Report (2) when the Committee commented:

"The majority of small firm proprietors have no professional or other type of formal qualifications and only a tiny minority have specific qualifications in management. They run their business on the basis of their experience and common sense. This may be very effective so long as the scale of the firm's activities remains small enough for one man to control them all effectively, and so long as no serious crisis overwhelms their pragmatic management. Either of these eventualities, however - significant growth or a need to consider drastic changes in the firm's policy - is likely to reveal a need for certain specialist skills which are most unlikely to be found within the average small firm'.

The Committee's finding was supported by Wilkie and Young (14) when they said that:

"that familiar figure, the skilled man who sets up on his own account, perhaps sub-contracting work from his late employers, can often take his company only a short way. After a few years, he hits a ceiling set by his mental attitude and method of work."

This is especially true for new small firms - that is, firms in the first few years of their existence. Such businesses are not normally set up by professional managers who have had management experience in large corporations, mainly because the 'entrepreneur' has to begin by manufacturing an article or providing a service which almost certainly involves him in the process of actually doing the job. Most small businesses are set up by people who are familiar with the technology of the manufacture of a particular article - it is from this base that they work.

Curran and Stanworth (75) were able to say that, as

Bolton suggested:

"small firm owner/managers are far from randomly drawn from the population. They tend to be relatively poorly educated and often running a small business as an alternative to conventional forms of achievement in society. This is increasingly equated with high office in a large organisation and has become greatly dependent upon qualifications in our credentialist society. For those who, for some reason, fail to obtain such qualifications, a small business is a major alternative path to success."

Other reports of that time make similar comments:

"..there is empirical evidence that most small businessmen in the United Kingdom are less well-educated than their counterparts in Europe, and feel in need of additional advice and information." (2)

Watkins (70) reinforces this point when he concludes that:

"The inescapable conclusion is that in general none of the factors in the owner/managers' prior experience nor education nor professional studies nor work experience had been an appropriate or adequate preparation for the stewardship of one's own business."

From this observation it could be concluded that, while experience plays a vital role in the success of the entrepreneur, education and training are the important other half of the equation. They balance experience and make it useable and worthwhile. The evidence also suggests that, while there are uncontrollable factors that cause some of the business failures, in the vast majority of cases the contributing factors to failure are such that they could be corrected by the owner-manager recognising the failures, and correcting them through using available resources, including

education and training.

2.6.2 What Was Being Done

The strive for survival within the small business sector did not pass unnoticed. The plight of their owner-managers had attracted attention from various groups including politicians, academics, researchers, etc. The government itself recognises the disadvantages small firms face particularly the difficulty in attracting finance, inadequate management time and business skills, and weaknesses in the market place; hence the concern to design measures which help small firms to overcome these disadvantages (76).

As a direct consequence, various measures were designed by the Government and numerous new organisations were established to provide help and assistance to the small business. The government's aims are stated as follows:

"To stimulate the development of small businesses and create an economic climate which will promote and sustain growth."

This recognises the fact that small firms need a similar economic climate as their larger counterparts.

It was indicated that, until 1985 (77), more than 80 measures have been introduced by the Conservative Government since 1979. The number had increased to over 100 in 1987 (78) and until the present time, one could imagine that many more of these assistance measures have been introduced. Thorpe (36) considered the range and amount of assistance afforded to

small firms is both large and bewildering, but he was able to divide them into two major categories:

- **Educational Support.** This category which Thorpe called a 'soft' option, was aimed at providing increasing know-how on which to build the business.

- **Fiscal Help And Assistance.** This category of assistance which Thorpe called a 'hard' option yields direct benefits in cash savings or grants. The range of assistance included in this category were: Employment/Training Grants, Capital Investment Grants, New Machinery Grants, Expansion and Relocation Grants, Loan Security Guarantees, Credit Guarantees, Environmental Grants, New Product Development and Design Grants, Rent Rebates and Energy Saving Grants.

However, the measures undertaken by the Government have a great number of critics. There are those who question the method of encouraging an enterprise economy that will reduce unemployment through 'more businesses, more self-employment and greater wealth creation' (78). Others argue that there is a misplaced concentration of help and assistance on manufacturing at the expense of the services sector (79). Wellens (80) (81) (82) in a series of articles, voices his concern at the type of support and training that is provided and makes two claims. One that the fiscal and educational support is causing innocents to fail and get into difficulties and is applied by a bureaucracy out of touch with the reality of small business development, the other that management is in conflict with the real needs of the emerging, modern technological age.

Nevertheless, there is no intention here to argue about the methods of assistance provided or the relative merits of

the 'hard' and 'soft' option aids. The argument about this was well rehearsed elsewhere. However, it is important to indicate that it is the soft option, the 'educational' aids required in the development of a business that was of interest here. This research is of the view that this was one of the more important areas in need of exploration and study. Thus, it is this option that will be pursued in this piece of research.

2.7 Summary

This Chapter has examined the increasing attention in national and international political interests in the small firm sector and highlighted the problems of defining small firm. Next it presented reasons why the small firms are important to the economy. However, despite their importance, the sector was plagued with a high incidence of failure. Subsequently, various measures including education and training were designed to provide assistance and help the development of the small business.

CHAPTER THREE
MANAGEMENT EDUCATION AND SMALL
BUSINESS DEVELOPMENT

CHAPTER THREE
Management Education And Small
Business Development

3.1 Introduction

The studies of business failures discussed in the last Chapter have consistently identified weaknesses in management as the major cause. Subsequently, education and training was prescribed as a remedy. It was considered to be an effective way of improving the skills and knowledge of the small businesses.

This Chapter addresses the issue of education, training and development in the small business sector. It begins with a broad discussion on the issue of management education and training and examines the role of education in the development of small businesses. Next, it presents evidence showing why the process of management development in the small firms is different from those of larger businesses. The needs and interests of small businesses in education and training is considered next, giving emphasis to the evidence found in the literature on the reasons for their reluctance to get outside help, as well as their perceptions towards educational and training assistance. The chapter concludes by presenting reasons why more research in this area is required.

3.2 Management Education, Training And Development: A Conceptual Framework

One result of the increasing attention in national and indeed international political interest in the small firm sector has been a focus on the role of management development in the small firms and on the wider but related issue of education and training for entrepreneurs. Education and training was considered to be an effective vehicle for developing and upgrading the management practices of small firms.

However, the basis for this attention seemed to lie not only in recognition of the contribution that training and education might make to productivity and efficiency but, to some extent, are due to the employment potential of small firms. The notion was that, if the owner-manager is developed, then the company might also be developed as a consequence. As a result of this conviction, a variety of educational and training packages were provided to assist the small firm owner-managers to acquire the skills they needed. In 1970 it would have been hard to find a course for the intending or existing small enterprise owner: in the 1980s there is hardly a college, polytechnic or university without at least one course in small business education.

However, before extending the discussion on the issue, it was necessary to clarify the terms used since they are related to the views taken by this research. Firstly, what is management? In general, management can be viewed in two ways; management as a class of people, and also management as an activity. Management as a class are people who carry the title

of managers and who commonly share similar beliefs about their status, the right to manage, and so on. Conventionally the title of manager was given to people who are one or more levels above the supervision of operatives in the organisational hierarchy. Unfortunately, this definition tells us nothing about what the manager is, or what he or she does. Perhaps, for this reason, it was more helpful to consider the second option, that is, management as an activity.

Generally, the theories relating to the activity of managing may be grouped into three main 'schools of thoughts', that is, the 'classical school', the 'decision theory school' and the 'work activity school'. Since views of management can greatly influence the approaches taken towards the development of managers, the main ideas of managing from these three 'schools' are summarised below.

Perhaps the most popular and enduring discussions on the activity of management was attributed to the 'Classical School', Fayol (1), Gulick (2). It was argued (3) that management is a complex process that can be broken down into the separate functions of Planning, Organising, Staffing, Directing, Co-ordinating, Reporting and Budgeting, well-known in abbreviated form as 'POSDCORB'. These views have been enormously influential in the field of management education and many management courses and modern books on management are reproduced every year based on these 'principles of management'.

Of rather more recent origin was the 'Decision Theory School' (4). This school of thought which has emerged from economics, was of the view that the primary activity of a manager is the ability to make the right decision in

conditions of uncertainty. However, accepting that decision making is not necessarily a rational process, it was accepted that managers should attempt to make decisions which will work (satisfying) within given constraints, rather than searching for the best possible decision that could be made in any circumstances (optimising) (5).

Mintzberg (6), a proponent of the 'work activity school', however, argued that the managerial functions proposed by the 'classical' writers do not describe the work of managers. Indeed, he suggested that they merely described "...certain vague objectives of managerial work". His observations conflicted very much with the conventional view of a manager planning and directing the enterprise in any detached way (6). Mintzberg argued that the 'work activity' of real managers appeared to be characterised by brevity, variety, and fragmentation. He observed that managers did an enormous number of different things in a day, most of them lasted for a very short time, and the managers concentration was continually interrupted by other pressures. These managers, he suggested, tended to have a preference for 'live action': they would telephone people rather than write memoranda to them.

It would seem from Mintzberg's studies that most of the features of managerial work are unavoidable, and the question should therefore be about how managers can best be helped to deal with all the complexities and diversity in their jobs. However, attempts have been made to reduce all these complexities into a series of prescriptions about what managers ought to do, and how they ought to behave, if they were to become effective. Based on extensive studies of

'effective' managers, and some comparisons with those managers who are 'ineffective', a number of frameworks which are substantially different to the prescriptions of the classical school have come into being. These include 8 'basic skills' (6), 11 'managerial skills' (7) and 21 'managerial competencies' (8).

There is no intention to extend the discussion about this issue further in this thesis. A detailed discussion of this can be found in the work referred to. Nevertheless, it should be clear from the above arguments that there is no general agreement about what managers do, nor about what they should do. And there is yet further diversity when one considers the activity of managing, from at least two more sources. First, there may be differences in managerial activity according to the type and context of organisation in which the manager is working. Second, as Rosemary Stewart has demonstrated (9) (10), there is substantial amount of choice available to managers about how they do their jobs.

3.2.1 Methods Of Improving Performance

Given the diversity of managerial activities, it was not surprising that a very wide range of approaches evolved which were aimed at making managers more effective in whatever jobs they have undertaken. These include management education, management training, management development, organisational development, experiential learning, and so on. Despite this variety, it was observed that (11) (12) the terms 'management education, training and development' were the most

widely used. Although they do not fully cover all the procedures that are available, the three terms were used interchangeably in relation to managerial learning. The reason for this seems to lie in the difficulty of distinguishing the terms precisely from each other in many practical instances. Indeed, this would be difficult and probably artificial (14). However, despite these arguments, the three terms could be briefly defined as follows.

Management education is a process of providing students of management or practicing managers with basic or advanced management knowledge and skills required for the managerial jobs (13). It is a pre-employment activity in most cases. But it may also include post-experience or further education, which prepares managers for widening or changing the scope of their competence or responsibilities at various points in their career. Therefore, management education is not concerned with solving the problems of a specific job or organisational unit. However, the knowledge and skills acquired in a specific programme of management education can be directly applicable to specific jobs. For this reason management education programmes are also used in certain cases as a response to quite specific training and development needs.

In contrast, Management Training is a process involving the acquisition and improvement of practical skills in the use of job-related management techniques and methods. Campbell et al (14) described it as:

"an entailed process that generally encompasses the following characteristics 1) it is a learning experience 2) it occurs after the individual has been employed by the organisation, and 3) it is designed to further the organisation's goal"

Others (13) defined management training as:

" a formal learning process which helps managers to acquire and develop mainly practical skills and abilities to manage, and to a lesser degree knowledge and attitudes under well-defined needs."

Management development on the other hand has been described by Morris (15) as:

"the systematic improvement of managerial effectiveness within the organisation, assessed by its contribution to organisational effectiveness."

Ashton et al (16) defined the term management development as:

"a conscious and systematic decision-action process to control the development of managerial resources in the organisation for the achievement of organisational goals and strategies".

While Mumford (17) conceived it as:

"an attempt to improve managerial effectiveness through a planned and deliberate process."

This suggested that management development is an open concept: it denotes those processes which engender enhancement of capabilities whilst leaving scope for discretion, creativity and indeterminacy. Thus, in management development, any suitable tools or methods likely to increase the manager's effectiveness and efficiency would be used (13). This includes education, training or any other non-training interventions. In this respect, it was suggested (18) that management training should be merely seen as a sub-system of management development.

Considering the above argument, it seemed that the terms

education, training and development have been used quite misleadingly. Not necessarily so. As Storey (12) asserted, the routine use of the phrase education, training and development would suggest that a common usage was to view 'development' as something potentially distinct from, and additional to, education and training rather than a process which encompasses them. Nevertheless, he contended that both meanings enjoy popular currency: management development was seen as a generic and yet it was also seen as something which could be distinguished from training and education - at least in their formal sense.

Training could take place either off the job or on the job. In 'off the job training' situation, training involves managers attending, at least in part, courses or workshops - which might vary in process from highly structured instruction to self-directed approaches. On the other hand, training might also take place 'on the job' without the framework of any course structure. This might include procedures such as coaching by the boss, study assignments, and other methods such as 'action learning'. It was in the area of 'on the job training' that the distinction between training and development becomes rather blurred. Thus, many writers were restrained from defining the exact differences and limits of management development and management training. To avoid the semantic and definitional problems, it was suggested (13) that it would often be better to use the combined term 'management training and development'. [Note: For the purpose of this research, however, it was a preference to view training as a procedure involving managers attending courses or workshops, that is, off-the-job training.]

3.3 Management Development And Training In The Small Businesses

"There is a body of literature which has argued that management development is important in small firms - perhaps more so than in large - but likely to be different in kind from that practiced in large corporations." Boswell (19)

The conceptualisations about what management development is are obviously closely wrapped up with what it was for. Clearly, it is not an end in itself. Hence, to a large extent, these conceptualisations have to be inferred from treatments of their objectives. Storey (12) observed that the practice of management development could be traced and related to a number of objectives. These are as follows:

- a) to upgrade skill
- b) as a device to engineer organisational change.
- c) to structure attitude
- d) as a tool in pursuit of quality, cost reduction and profitability through excellence.
- e) to forge a common identity and approach following company merger or acquisition.

Such conceptualisations, however, might not be as easy in the small firms as in large businesses. Unlike in the large businesses where the company's objective and problems can be analysed to produce a set of training objectives, in the small firm there was frequently no-one available to undertake the analysis necessary to identify behavior changes associated with the changes in company objectives and solutions to

problems, and to relate these in training needs in terms of knowledge, skill or attitude requirement. Thus, it is essential to establish more precisely what is meant by management development in the small firm context.

3.3.1 The Process Of Management Development In The Small Businesses

It was argued that the development of managers in small firms cannot be treated as a simple extension of the provision for the 'professional' managers in the large firms (20). The small firms possess special characteristics as the result of the influence of size and ownership and these characteristics bear major implications on education and training (11) (20).

The distinct characteristics of the small firms as opposed to the larger businesses was examined in detail by Gibb (11) (21). Gibb's contribution was particularly significant, when he put forward a number of propositions which broadly summarise the distinct characteristics of the small firm resulting from the influence of size and ownership (refer Table 3.3.1 and 3.3.2). Gibb observed that the major implications of smallness was related particularly to the limitations this may place on the availability of specialist management in the company, its weaknesses in being able to control and relate to the environment and the overall lack of resources.

The majority of the characteristics linked with owner-management are derived from the potential influence of the owner-manager himself in the company. In particular: his well

Table 3.3.1 Key Influences of Small Size on Management

1. Very small management team.
 2. Multi-functional roles for managers. 'Total' management.
 3. Lack of specialist Personnel. Often related to lack of resources.
 4. Informal control systems.
 5. Considerable scope for domination by leader.
 6. Shortage of promotable manpower - no wide potential for management development.
 7. Limited control of environment and limited resources to scan it.
 8. Closeness of working group - conflicts resolved more easily or are more open? Higher loyalty.
 9. Limited leverage to obtain capital from institutions.
 10. Limited process technology (in scale).
 11. Limited product range although great flexibility within range.
 12. Limited market and usually limited market share.
-

documented tendency to concentrate on those tasks which he considers are of particular value to the business and which he particularly likes (22), the effect of his leadership style on the style of the organisation; and the influence of his personal attitude towards the community and the environment as a whole.

The propositions concerning the influences of owner-management and small size, could be brought together to broadly characterise the key differences between the small and large company (Table 3.3.3). However, Gibb pointed out that these characterisations are not rigid propositions, for it was recognised that the larger the size of the firm, and the further the firm moves away from the influence of the owner-manager, the more likely these distinctions were to become blurred. Thus there may well be a progression towards more professional management as the firm grows and/or moves from

Table 3.3.2: Key Influences of Owner Management on Management of Company

-
1. On tasks - Owner managers will concentrate on tasks that they value rather than adopt a rational / scientific approach.
 2. On leadership - Through personal style and orientation to task or people - has greater scope for impact on total management or organisation.
 3. Through previous education and career. Often likely to be narrowly related to company. Often limited formal education. Lack of formal business education. Learns by doing.
 4. Through objectives/motivations as reflected in degree of achievement orientation. Can better express work/leisure preferences likely to effect objectives of the company.
 5. Through physiological characteristics (state of health, etc.). The company may be very 'dependent' on this.
 6. Through length of tenure in top job(s) and influence of age. In contrast to large companies small firm executives spend a very long time in the top job (often die in it).
 7. Through social orientation in community. Owner may use the business to achieve wider social objectives.
 8. Through family influence on:
 - Shareholder structure - often complex after several generations,
 - Succession - Unwillingness to relinquish control.
 - Opportunity on non-family managers.
 - Social system - preferences in promotion given to family which limits ability to control.
 - Recruitment - family may for example have concerns about recruiting from 'outside' to senior management.
 9. Through ego - strong personal link with the business. Therefore criticism of the business may be taken personally.
 10. Through high value for independence. Possible hostility to bureaucracy.
 11. Places limits on capital availability.
-

first to second and third generation with possible fragmentation of ownership and possible divorce of ownership from control. As they stand, however, the characterisations shown in Table 3.3.3 have fundamental implications for management development and training in small firms.

**Table 3.3.3: The Influence Of Owner Management
And Size On Small Firm Organisation**
(Source: Gibb, 1983)

<i>Owner/Management Influence Factors</i>	<i>PROPOSITIONS ABOUT DIFFERENCES BETWEEN SMALL AND LARGE FIRMS' ORGANISATION</i>	<i>Size Influence Factors</i>
<ul style="list-style-type: none"> Owner/manager's task structure itself likely to be highly personalised rather than rational. Owner's education, particularly exposure to management education, likely to influence this. Other members of family working in organisation likely to confirm this. Need to find jobs for successor. Influence of second and third generations perhaps leading to greater rationality. Personal leadership style and objectives. Personal objectives. Limits of education. Independences as prime motivating facts Limits of education Owner/manager's choice of task (interest) 	<p align="center">JOBS BUILT AROUND A PERSON RATHER THAN VICE-VERSA</p> <p align="center">HIGHER DEGREE OF INTEGRATION OF POLICY AND PRACTICE IN MANAGEMENT TASKS (SEPARATION PERHAPS NOT DISCERNIBLE)</p> <p align="center">MORE LIMITED TIME (PLANNING) HORIZON</p> <p align="center">MORE HOSTILE/DISMISSIVE ATTITUDES TO ENVIRONMENT (GOVERNMENT, ASSISTANCE AGENCIES, BUSINESS SCHOOLS/ COLLEGES)</p> <p align="center">RELATIVE LACK OF FORMAL MANAGEMENT INFORMATION SYSTEMS AND USE OF TECHNIQUES</p> <p align="center">HIGHER EMPLOYEE MORALE (FEW STRIKES ETC.)</p> <p align="center">CLOSER RELATIONSHIP BETWEEN PROFIT MOTIVE AND MANAGEMENT MOTIVATION</p> <p align="center">LESS MANAGERIAL SLACK EXTREME SHORTAGE OF MANAGEMENT TIME</p> <p align="center">MANAGEMENT MISTAKES COUNT MORE</p> <p align="center">SUCCESSION MANAGEMENT PROBLEMS ARE OF MUCH GREATER IMPORTANCE</p> <p align="center">SOURCES OF RESISTANCE TO CHANGE ARE DIFFERENT BUT CAN BE EQUALLY AS POWERFUL AS IN LARGE BUREAUCRACY</p> <p align="center">(IS SMALL FIRM FLEXIBILITY A MYTH?)</p>	<ul style="list-style-type: none"> Small management team leading to multi-functional roles and absence of "specialists". No personnel and training man to develop job descriptions and help rationalise task structure. Limited ability to influence environment at large. Small management team leading to closer working group. Lack of specialist personnel. Limited control of environment. Limited control of environment (for example to influence assistance agencies to provide right service). Absence of marketing personnel. Limited manpower to search environment. Limited market and product require limited search needs. In small size company means they know what is going on. Lack of personnel to run systems. Often limited product process and technology. Closeness of working group. Multifunctional role and job overlaps. Smallness links effort and reward more closely. Limited management team size. Shortage of promotable manpower. Smallness of size of management group means relative influence of individual large. Shortage of promotable manpower. Higher probability of persons being promoted beyond capability. Critical in relation to small size of team. No personnel man to plan requirements and ensure efficient recruitment and selection. Small management team offers little scope for change through personnel. Shortage of promotable manpower limits pressure for change. Stronger influence of small working group norms.

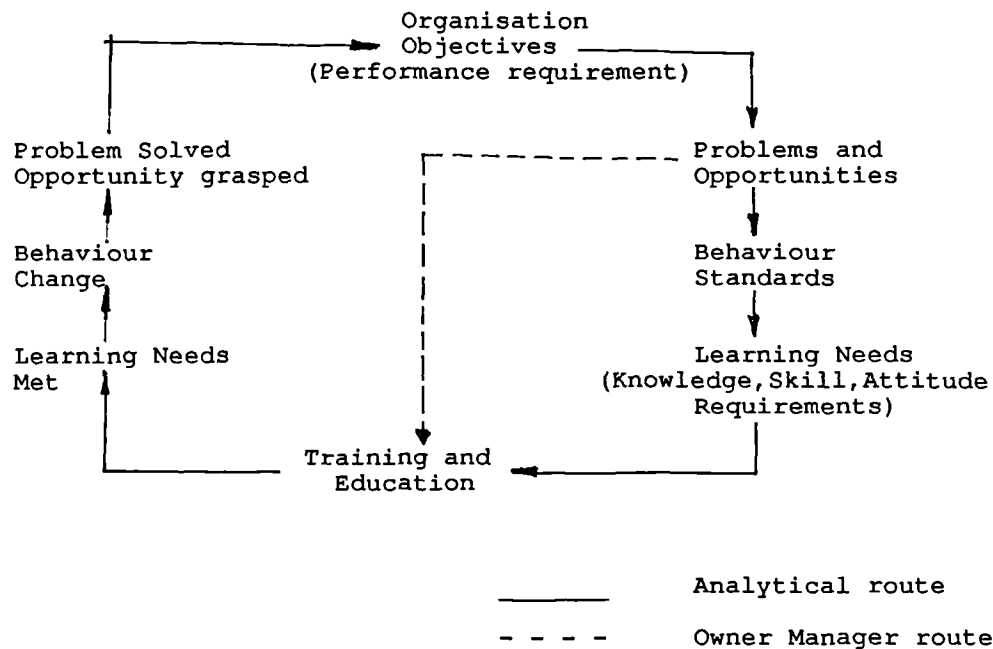
As indicated earlier in the definition, management development is assessed by its contribution to organisational effectiveness (15) (16) (17). The problem then, as many writers have pointed out, becomes how organisational effectiveness is defined. The simplest definition was that of meeting the overall objectives of the company. But, as has been observed by Gibb (21), in a small firm company objectives will often be those of the owner-manager. Thus, by applying the same definition in the context of the small owner-managed firm, more often than not it means meeting the objectives of the owner-manager.

It was suggested that (11) (21) this close link between personal and company objectives underlines the synonymy of organisational development and management development in the small firm context. He observes that this link presents an opportunity in the small firm which was often a problem in the large to derive management development needs from organisational development needs.

The link between the two was set out in Figure 3.3.1 which outlines the conventional process by which education and training input was derived from company objectives and problems (23). In the large company the specialist was able to provide the links in the processes that will ensure that training contributes to organisational performance. In the smaller firm the absence of the specialist trainer to undertake the necessary analysis is an important factor. It was frequently the case that the small business owner comes direct to the educator or trainer, cutting out the analytical process or does not come at all because he cannot see the link. When he did turn up he was likely to arrive with his

problem, which was the organisational problem. As a result of his weaknesses in his analytical ability, his perception of his need for personal development or training may not always match that of his actual need. Thus he may be frustrated with the end result.

Figure 3.3.1: The link between Management Training and Development and Organisation Needs.
(Source: Gibb, 1983)



Gibb (11) (21) suggested that two major inferences can be drawn for the external provider of education and training. The first was that the small firm owner-manager will be unlikely to be interested in education and training for its own sake. He is unlikely to see any gain in personal development, divorced from the needs of the business. Thus it is likely that he will be impatient of inputs that are beneficial to him

personally but do not have relevance to the solution of his immediate problems. The second major implication was that he may be dissatisfied with what he finds because he himself had not analysed the problems adequately to be able to identify the needs that he had in terms of knowledge and skill. This places a demand on the training providers to be aware of the possible lack of a relationship between his provision and the immediate need of the participants.

In the end analysis, it was apparent that the development and training needs of managers in the small businesses were different from those needed by professional managers in larger businesses. These differences which were, in the main, influenced by the size and ownership of business have fundamental implications for management development and training in small firms.

3.3.2 The Role Of Education And Training In Small Business Development

However, one important question here was, is there any evidence which shows that management education and training benefit the small enterprise? The answer seems to be yes. It was said to be an effective way of providing the small business with the management expertise they require and would help improve the efficiency, profitability and growth potential of the small business (24). This has been confirmed by several research findings (see for example Gray & Stanworth (25), Allen & Hunn (26), Bosworth & Jacob (27), Constable & McCormick (28) which indicated that it

can make a substantial contribution to subsequent owner-manager performance.

Similar support was also evident in the United States. Several studies have indicated that education and training has an important role to play in small business development and growth. Nelson (29) quoted Lane who said that:

"getting a good, solid education in managerial skills is one of the best avenues to success for a small business".

She also noted a similar theme in the writing of Farmer and Richman when they acknowledged the role of specialised training programmes on management development through business education. These are cited as those programmes not forming a part of regular higher education offerings. According to Farmer and Richman, if properly organised, this type of training can do much to raise managerial effectiveness by giving owner-managers new information and knowledge, as well as the tools which apply to specific jobs. They suggested that such programmes are the kind that owner-managers of small business would likely attend.

However, it must be reiterated that not all things done to managers in the general spirit of growing and developing them can necessarily be placed under any type of training label. As stated earlier, there are other non-training interventions such as Experiential Learning, Organisation Development, Management Consulting and so on which could be used to develop managers. A number of researchers such as Stuart (30), Burgoyne & Hodgson (31) and Davies & Easterby-Smith (32) have argued that much of the learning

and development, in fact, have taken place in these ways more than through formal courses and programmes. Stuart (30) and Burgoyne & Hodgson (31) relate the process by which this learning and development happen to a biological self-correcting mechanism which they call 'natural' learning. Davies & Easterby-Smith (32) in a sample of nearly 60 managers have found that nearly all the significant learning needed to tackle difficulties at work had come about, not from courses or formal teaching, but from significant work-related events.

Does this mean that the days of formal education and training programmes for the small business sector (and that of their providers) are numbered? No, certainly not. There is no doubt that this form of learning is effective and useful to the small business managers. However, as the failure rate suggested, the majority of managers are not learning nor developing fast enough to cope with the ever increasing problems of managing the business. Further, the cost of such failures are high indeed. Thus, as a method of learning, formal training courses and programmes are still very much needed. Therefore, it was not surprising that training remains the most conventional method of management development.

3.4 Educational Needs Of Small Businesses

"Small companies... are not large companies looked at through the wrong end of a telescope, but are different and have different, if sometimes similar problems to large organisations." (33)

In contrast to the situation which exists in some other

countries, in particular the USA, relatively little empirical research on the management development needs of small firms has been undertaken in the UK. Despite this paucity of research effort, several studies which examined the training needs of the small business sector has been identified.

3.4.1 Training Needs And Problem Areas

The first of such studies is that of the Bolton Committee (33). The Report contained two chapters which were of particular relevance to this topic; Chapter 10 on 'Management Skills and Advisory Services' and Chapter 14 on 'Industrial Training'. Chapter 10 of the Committee's Report, summarising a great deal of written evidence and specially commissioned research, concluded that:

"...the main areas in which small businessmen could improve their management performance are: Finance, Information Use and Retrieval, Costing Control Information, Personnel Management, Organisation, Technological Change, Marketing and Production, Scheduling and Purchasing Control".

and that:

"the problems are mostly interrelated, and the individual manager will generally worry about the development of the business as a whole rather than about discrete functional difficulties"

The Committee had:

"...no doubt that the overall standard of management in small firms is low because the routine administration side of management which consumes so much of the small businessman's time is not properly systematised and delegated".

In other words, there were likely to be managerial deficiencies across a broad spectrum of activity. The Committee also commissioned a number of Research Reports which remain useful in their own right. Research Report 4 which sought to explain differences in the growth, stabilisation and decay profiles of small firms, is particularly noteworthy, since it concluded that:

"...in general the factor most closely associated with differences in growth of turnover and profitability was management as it was reflected in entry into new markets, development of new products and improvement in market share"

In an empirical study conducted independently of the Bolton Committee's Inquiry but parallel to it, Boswell researched the circumstances, including the qualities of management, leading to the 'Rise and Decline of Small Firms' (19). Inter alia, this argued that the problems of small firm management, as seen by the chief executive, were essentially those of self-management. Speaking of the young firm owner-managers in his sample, Boswell argued that:

"the scope for collective advice may be greater than at first sight appears. Patterns of work and leisure, health problems and conservation of energy generally, the psychology of delegation, the logistics, indeed the ergonomics of the boss' job, these form a constellation of problems which are familiar and widely shared. Unfortunately neglected in the conventional training media, these problems are particularly critical for a more precise input; its resources of managerial talent and skills."

It was reported (Dey & Harrison, 34), that no significant change in the problem areas has taken place since

the publication of the Bolton Report. They reported that a study by the CBI in 1986 (35), 'A Question of Survival, Business Results Through Training' confirmed that the problems identified by Bolton are still a major concern to small businesses. This study compared their observations with those from other studies of that time and identified significant features leading to problems in small business. These are as follows:

- | | |
|----------------------------|----------------|
| a) Management | e) Premises |
| b) Products And Production | f) Employment |
| c) Finance | g) Legislation |
| d) Markets | |

The actual problem areas identified above which fall into seven main groups, were compared with those identified by Bolton.

- | | |
|-------------------------------|----------------------------|
| a) Profitability | e) Stock Control/Inventory |
| b) Marketing/Increasing Sales | f) Improving Productivity |
| c) Cash Flow | g) Competition |
| d) Cost Reduction/Containment | |

Dey & Harrison also reported another study by the CBI (36) which conducted a survey of the training needs of 500 companies in the small-medium range. They indicated that the areas of weaknesses identified in the study also corresponded closely with the findings of the previous study (35) and the Bolton Report (33).

Commenting on the findings of the two reports, Dey &

Harrison (34) hinted that:

"Apart from the slight shifts of emphasis, there has been remarkably little change in the perceived problem areas since Bolton, perhaps reflecting a lack of widespread training opportunities for small firms to cope with those problems, or reflecting something intrinsic in the nature of owner/managers of small firms, and their attitudes towards training".

Watkins (37) indicated that the major areas of crises in small businesses are a) Marketing, b) Finance, c) Management and d) Personnel/Industrial crises. However, he pointed out that the major threat to survival of the small businesses are:

- a) Difficulty in complying with laws and requirements.
- b) Lack of finance.
- c) Marketing problems.

In another study (38), it was reported that the most frequently quoted training topics needed by small businesses are a) Communications skill, b) Management skills, c) Leadership, d) Problem solving, e) Decision making, f) Delegation and g) Motivation. A scrutiny of the list revealed that all seven topics fall under the 'management functions' of the owner-managers. Similar results were also reported by other researchers (39) (40) (41). However, at an individual level, it was suggested, the type of training needed varies considerably (42) (43) (44). It was contended (44) that training needs would be influenced by the type of business involved and the individual running it. This

view was supported by Tait (45) who discovered that:

"... educational needs showed some variance according to the characteristics of the business, the wider business environment and the owner-manager."

Similarly, as noted earlier, Gibb (11) had reminded us that the smallness of the size and the influence of personalised management in small businesses bear major implications for content, teaching style, material and marketing. Nevertheless, it can also be argued that differences are not limited to size and influence of owner-management alone. Other factors, for example, industry type, stage of growth, locality etc. may also lend weight to different training needs. A different industry will have a different working environment and thus will face a different set of problems. What works for one type of entrepreneur might not work for another type and it is highly doubtful that these diverse ranges of needs could be met in one common training programme. Commenting on this issue, Curran & Stanworth (46) pointed out that:

"As with most teaching, it is impossible to please all people all the time. For instance, it is difficult to give every participant the time they would like to discuss every aspect of their business - particularly when some have already got businesses which have developed their own idiosyncratic characters and problems".

They further added that:

"Equally, participants have different skills and abilities which makes it difficult to judge the amount of time required to be spent on each of the functional skill areas needed in running a small enterprise."

Therefore, if small businesses are to be properly served by training providers, they must understand the unique needs of the sector. In this regard, Curran and Stanworth (46) suggested that:

"...it is necessary for the training providers to specify the target audience and plan the detail of courses accordingly".

This suggested that the 'broad-brush' approach of providing general management programmes are not suitable for the small business owner-managers. Courses must be developed by considerations of the specific needs and desires of the target market.

3.4.2 The Importance Of Needs Assessment

The importance of needs assessment in designing training programmes has been voiced by many researchers. Within the field of the small business sector, Nelson and Neck (47), for example, argued that:

"...there is a need for targeted educational programmes in the area of small business ownership and management."

Gibb (11), contended that:

"there is a very strong case for consideration of needs as a basis for programme development."

Gibb repeatedly argued that the small business possesses special characteristics as a result of the influence of size and ownership, therefore, training addressed to them must be developed by consideration of all these characteristics.

Curran (43) indicated that:

"..there is a need to generate courses which are based upon the real needs and experiences of small enterprises. Small business education needs a 'bottom-up' approach derived from a close study of the small business owner/manager and the small business itself in place of the 'top-down' approach of much current training."

Unfortunately, although the importance of need analysis in determining more efficient and appropriate provisions is well supported, the reaction from the supply sector has been slow. There has been a limited amount of clear data gathered on the identification of what the needs of the business owner are, and this has been pointed out by a number of academics and researchers. Stanworth et al (48) lamented that:

"...a great deal of teaching and literature on managing of small businesses are based on very little knowledge of the day-to-day managerial functioning of the small business."

Their views were supported by the DTI (49):

"There is very little appreciation of what the small business needs are by way of funding, management skills and continuing, day-to-day, forthright practical overseeing and advice."

A similar comment was made by Birley and Gibb (50):

"Surprisingly, such needs may only superficially be assessed because of the "supply" orientation of the education sector. It is , by and large, not conventional practice within the sector to undertake detailed needs analysis before launching a programme."

Thus, it is not surprising then, as Mangham (51) suggested:

"... the result is a cure for all kinds of imagined illnesses."

With regard to this issue, Curran (43) commented:

"Courses ... tend to be constructed very much on an ad-hoc basis. There is, as yet, little national agreement on content or effective teaching strategies for small business training."

He noted that:

"Probably the most favoured approach is to take accepted large firm management techniques and adapt these to the starting or established small enterprise."

But what was needed is:

"more attention... to getting closer to the day-to-day performance and policy making practices of enterprise owners."

Similar views were also reported elsewhere. In the USA, Kiesner (52) quoted Patten who indicated that:

"hunches and the crystal ball have..... been the most widely used ways of determining educational and training needs....". Yet a great deal of money is being spent on training for all sizes of businesses.

Further, he quoted Goldstein who concluded that:

"Instead of careful needs assessment, the training field appears to be dominated by a fads approach".

Philip Neck (53) of the International Labour Office in Geneva criticised heavily this issue. He argued that:

"Education and training programmes, policies and institutions do not seem to cater adequately to the [small firm] sector's need. The urgency is to develop a 'need based' approach (in education and training) and it is paramount, for too long the small enterprise sector has been effectively removed from the planning, development, implementation and evaluation of programmes, policies and institutions allegedly designed to service their needs. The formal top-down approach by assistance agencies and institutions needs to be tempered with a sensible proportion of inputs that are bottom-up."

Much the same kind of comment was made by other researchers (29) (34) (50) (54). Thus, as suggested by some writers, this is one of the more meaningful areas of research focus in the study of the small business sector (55) (56) (57). To quote Chadwick (57):

"one of the more urgent issues in the current process of management education reform is its relevance to small businesses."

This subject of the common failure of those providing a service to recognise that their perceptions of its attributes are not necessarily shared by past or potential customers was noted by Christopher (58). He noted that products, sometimes, were promoted on attributes or factors that are less important to the customer in reality than other aspects. He suggested that there is a great premium to be placed on gaining insight into the factors that influence buyer behavior

and, in the context of customer services, which particular elements are seen by the customer to be the most important. Relating this to the present study, in the absence of such knowledge it would be easy to avoid consideration of concepts and to take pragmatic approaches to the development of objectives and content. In this, it was argued, it is easy to assume that the small business is merely a scaled-down version of the large companies and can therefore be presented with existing materials suitably simplified (43). Yet, some (59) viewed such courses as 'worse than useless' when applied to educating small business managers. Thus, it was not surprising that the small business managers sometimes complained that they have difficulties finding suitable training because much of it was not geared to their needs (60).

Given the situation, the question then is, "How could providers of training cater for the vastly varied set of needs of the small businesses?". A number of researchers have indicated that this could be solved by the segmentation of the potential target market.

3.4.3 Segmenting The Market

There are numerous ways in which the market for small business programmes might be segmented. One suggestion was made by Franklin and Goodwin (61) who said that:

"...training could be tailored to suit each industry, size and location of the business".

Others, for example Bailey & Royston (62), suggested product differentiation. They indicated that courses need to be targeted to a specific market. Bailey & Royston divided the potential training market into 4 categories namely:

1. Those intending to start businesses.
2. Students in formal courses.
3. Existing Owner-Managers with training.
4. Existing Owner-Managers without training.

Another suggestion, almost similar to that of Bailey and Royston was proposed by Watkins (37). Watkins identified 6 specific categories of market segment for small business management development. These are:

1. Existing owner-managers.
2. Other small firm managers.
3. Business founders (prior to start-up)
4. Designated successor.
5. Students of management/business.
6. Other providers.

A more comprehensive argument for segmentation of the small firm was presented by Gibb (11). Gibb suggested 15 key areas in which the small firm market might be segmented (see Table 3.4.1). Gibb suggested that the value of segmentation is in identifying possible common sets of needs. It may also, however, be used to identify programme constraints (for example in location) and ultimately the channels for marketing. In using such segmentation criteria in practice it

will often be necessary to combine the criteria used.

Table 3.4.1: Key Areas of Possible Market Segmentation.

Size	Type of Entrepreneur
Industry	- education
Market	- style
Product	- strategy
Process	
Stage of Growth	Ownership Structure
Problems	- Co-Ops
Opportunities	- Independent
Functional Needs	
Locality/Area	Shared Activity/Concern
Sex	- Clubs
Ethnic Group	- Associations
	- Buying Group

3.5 Educational Interests Of Owner-Managers Of Small Business

"despite all the attention the subject [education and training] has received .. many small enterprises still fail to see the benefits of formal management education when matched against their day-to-day activities." (57)

A great deal has been said about the need for owner-managers of small businesses to equip themselves with the requisite skills and knowledge through management training and education. The problem, however, is that, while this sounds very nice to those in the education sector, such proclamations of wisdom do little to convince the small business owners. There was a consensus in the literature that, in general, small firms owner-managers have little interest in education and training (Kiesner (40), Tait (45) Mangham (51) and Bart (63) for example) and some others were said to hold a

negative belief about education and training. In fact this theme of the negative attitude to training can be picked up in various studies as early as Bolton (33). Research Report Number 4 of the Committee of Inquiry On Small Firms indicated that:

"Most of those we have met have rejected the idea that the wider use of advisory and management would much improve matters. They are weary of receiving unsolicited advice on how their business must be run. Advice from Government employees is resented most of all."

Later studies showed similar findings. The findings of Watkins (37), for example, revealed outright disapproval of education and training held by small business owner/managers. To quote Watkins:

"Mention 'management training' to the boss of the typical British small firms and most of the replies will be unprintable. The root of this communication breakdown between small firms owner/managers and suppliers of training are deeply embedded in the education and training system of the United Kingdom. In general, the people who do well in school in "academic" terms stay there, go on to further and higher education and then into bureaucratised large scale organisations. Many of the balance gravitated into small scale business, but by then the mistrust of formal education is deeply rooted. Nearly half of the owner/managers made it quite clear that there was no way in which they wished to develop their management competence."

Other studies produced the same kind of picture. In 1984 a study by the Durham Small Business Club (64) showed that 35 percent of owner/managers of small firms in the North-East of England were not interested in training. This result, however, was more encouraging compared to that of Bart (63)

who reported that only about 20 percent of her sample expressed interest in any type of training. Another report, 'A Question of Survival: Business Results Through Training' (35), indicated much the same kind of picture. The report showed that only 20 percent of the small businesses sampled believed that training could play a major role in solving business problems, compared to 40 percent for those who indicated a minor role, 20 percent an in between role, and 20 percent no role at all. This is in contrast to a response from larger firms where 80 percent said training played a major role in the resolution of problems.

The Confederation of British Industries conducted a survey in 1986 (36) on management needs of smaller business from amongst its members operating in the small firm sector and reached the conclusion that:

"as a subject for consideration, management training does not receive nearly such a high priority to smaller firms' managers as late payment of debts, probably because the latter has immediate implications on their cash flow."

More recently, in a study of "The Decision Making Process In Small Business", Tait (65) discovered that"

"many small business owner-managers perceived no educational needs and those who did were not always able or willing to act on them."

Further, she discovered that even if the owner-managers acknowledged a need for education, they are reluctant to admit to being the person who needed it. Some were more prepared to

talk about education and training for their staff than for themselves. She suggested that self-esteem, self-confidence, experience and leadership style may be an important factor in this respect.

However, these negative attitudes are not confined to small firm owner/managers alone. There is evidence which suggested that those in larger businesses also held a similar view. A study of large companies in U.K. by Cooper & Lybrand Associates (66) reported that many Managers and Senior Executives in their study had a negative attitude towards training. Training activities are seen as overheads to the business instead of an investment. This was consistent with the results of an earlier study (51) which reported that many British managers see little or no relationship between performance and management training or are not sure if any relationship exists between them. In fact, many managers admit that current provision of training for their managers is based on the faith that it contributed to competence (67). Nonetheless, it was suggested that (51) these attitudes held by small firm owner-managers are more strongly negative than those towards training held by all businesses, large or small. In his recent presentation, Rosa (68) commented:

"It is assumed from macro-economic evidence that there is considerable demand for training in all firms, based on the fundamental industrial and demographic change.....[but the] demand for training, especially external training, however, is less visible at the level of the individual small firms, where response to training provisions is often apathetic."

Taking up this issue, Ormond (69) pointed out that:

"in general small businesses lack an understanding of the benefit of training and have very modest expectations regarding the benefit to be gained from management development programmes."

The reason for this lack of appreciation of education and training, it was suggested, could be related to a number of factors. Tait (45) suggested that:

"the need for education and training is more difficult to ascertain than some other needs ... due to the lack of experience of education as a product, lack of definition of educational product, attitude towards education, etc."

Studies in the U.S.A. indicated a slightly different picture. Solomon (70) commented:

"Small business owner-managers, as a collective group, are generally satisfied with the operation of their businesses even though many are in poor financial condition. They either fail to, or exhibit unwillingness to, recognise and admit the existence of a problem or group of problems. Even if they are displeased with the present set of circumstances surrounding their business, they are unable to determine specifically what factors, principals or functions of management need attention."

Solomon went on to comment that the small businesses need outside assistance to train and educate them on the best course of action to take in solving these problems. He quoted McGuire who discussed the fact that most owner-managers of small business firms do not have a great deal of expertise in many areas, and this limits their ability to expand their scope and their business. McGuire called this limited ability "bounded entrepreneurial expertise". He described this as follows:

"Essentially, the concept of bounded expertise implies that knowledge is possessed in insufficient depth and breadth to sustain the optimal rate of expansion".

Along these lines, Solomon commented on McGuire's bounded expertise theory, and said:

"If the owner-manager fails to use and acquire additional expertise the changing environment will create problems that the individual cannot identify or deal with effectively. To remain viable, the owner-manager must at least be aware of how, where and to what extent his or her managerial knowledge is limited. In the small business, there is a need to know a wide variety of managerial subjects and this places a tremendous burden on the owner-manager, because it is his or her bounded expertise that is jeopardising the small company".

In other words, the small business owner-manager is his own worst enemy because he does not usually have sufficient expertise, and he does not accept or recognise that need for expanded knowledge. Both McGuire and Solomon believe that there are just three ways to gain help: 1. Through formal or informal education, 2. Through the use of external Advisors or Consultants or 3. Through the addition of experts to the firm.

Another researcher, Land (71) tended to lump the last two points noted above together, and indicated that the third method of overcoming the lack of expertise was to gain experience. While recognising that this 'experiential learning' could be a long and arduous process, he felt it was an effective one. Land argued that the experience time factor could perhaps be shortened by using education and training programmes. However, he complained of the fact that small business owner-managers 'display a limited perception of the

value of education as a means of personal achievement and success and an attitude which tends to reduce their motivation to learn'. Contrary to this negative attitude he suggested that small business owner-managers must both recognise that there is a problem, and be willing to admit that a need exists for outside help and expertise to solve the problem. Yet, Land said:

"An excuse often given by small businessmen is that they simply lack the time to seek external help, but this is seldom the case. Few owner-managers use external assistance either because they are unable to recognise that they have a problem, and refuse to acknowledge that they are in trouble until it is too late, or they are reluctant to admit that they cannot handle the situation without help."

Solomon's comment here is that:

"Assuming that the opportunities to gain competence do exist, either through training, education, or counselling, it then becomes the responsibility of the individual to avail himself of these opportunities and resources in order to increase the possibility of success."

In other words, Solomon feels the failure to act is on the part of the entrepreneur. Filley (72) asserted that, when asked why they do not attend courses and lectures or other educational offerings, most owner-managers will comment, "I am too busy" or that my business requires that I "learn by experience". Some of these exact comments in fact were brought up by the respondents to this survey.

However, the small business managers are not totally to be blamed for their poor response to training. It was suggested that, to some extent, the lack of interest in

training exhibited by the managers could be attributed to the training suppliers themselves (11) (73) (74) (75). Gibb (74) (75) argued that part of the problem lies in the way in which management education and training institutions are themselves organised, the tradition of business education which has been geared to supply to students and managers of larger firms and the style of training and teaching adopted.

One important consequence of this supply nature was that the credibility of trainers and training providers have become questionable. This credibility issue was commented on by Chadwick (57) in his review of reports on the existing systems of small business education in Australia. Chadwick highlighted the findings of Bailey and Royston which indicated that there is a 'serious credibility gap between the suppliers of small business training and the real needs of the market'. He pointed out that:

"evidently, it cannot be said the need for training has not been recognised, yet it has not been met ... what it does imply is the training is not hitting the mark."

The same feeling was also felt by Prescott (76) when he asserted that many courses do not reflect the real problems and priorities of the small businesses.

Inevitably, however, it was recognised that much of the difficulties in reaching the small firms were attributable to the owner-manager themselves, in particular the problems they faces in taking up the training offer (74) (75). These includes such problem as the shortage of time and resources, the absence of skilled staff to identify training needs, lack of

formal education, the suspicion of structured education and training institutions, familiarity with learning by doing, the highly informal and personal nature of the business with distrust of the complex and unnecessary systems sometimes advocated by trainers and the trust of their peers and contact than of formal well qualified trainers.

3.5.1 Why Are Some Managers Interested In Training While Others Are Not?

However, not all is totally negative with respect to the small business views towards education and training. Several research findings indicated that there is still hope in the area of small business education and training. The CBI survey (36), for example, indicated that, although management training does not receive such a high priority, 77 percent of those who have attended a course felt it had been invaluable or worthwhile, with only 1 percent feeling it had been a waste of time.

An Australian study (62) showed similar findings when it reported that owner-managers who attended education and training courses were satisfied and felt that their skills have improved. In fact, there is also some suggestion that there could be a shift in attitude taking place. A survey by the pressure group, Forum of Private Business (77) for example, showed that 74 percent of the responders were in favour of the Manpower Services Commission's Private Enterprise Programme, with Marketing, Sales Promotions and Financial Control as the top choice of subject areas.

The big question then is, "Why do some managers perceive a need for education and training while others do not?". What are the factors that influence the owner-managers' perception of the need for and importance of education and training?". "How could they be attracted to take part in training?"

3.5.2 The Characteristics Of The Entrepreneurs - Why They Resent External Assistance

Perhaps one of the most useful tools in learning how to convince the owner-managers of their need for help would be to understand their idiosyncracies and, perhaps, learn the reasons for their particular reaction.

A great many studies have been made over the years of the motivation of the businessmen and some of them even considered the differences between those in major organisations and those in the small business sector. These studies have also discussed, in some detail, some of the reasons why owner-managers reacted the way they did to external assistance.

When discussing the thought pattern of small business owners, Filley (72) commented that:

"Most owner-managers are individuals of limited management ability who operate their firms in a routine, traditional way. They are only interested in making a living and defining success as a continued operation. They operate their business under a system of traditional authority by virtue of their ownership of the resources. Such traditional legitimacy is restrictive to the extent that the owner-manager is bound by past methods and unable to plan for the future. They operate by their own set of rules and perceptions."

If this is the case, it is quite discouraging for those attempting to provide help for the small business owner. One could hope that, despite the 'rut' Filley felt they are in, trainers or educators can inspire them to take action and improve themselves, if the programmes are properly presented. Filley is not encouraging in that respect:

"For these reasons the owner-managers cannot effectively be told how to run their businesses. They reject advice from outsiders because of their inability to conceive of change and because to accept the advice would be a rejection of their traditional roles of being all-seeing and all-knowing."

Kroeger (78), suggested that the role activities exhibited by the small business owner-managers, as "originator-inventors" of the product and firm, may also work against them in recognising the need for help and actually using help. He commented that:

"Some of the very motivations for the inception of a new business can be impediments to the development of requisite skills and capabilities for long term success. A unique feature of many small business originators is that they go through no formal screening, training or qualification process. They select themselves."

This self-selective process does not ensure that the entrepreneur is prepared to manage a business, obviously, and though they may be highly motivated, Kroeger goes on to note that they are "not likely to succeed if they do not possess or acquire the necessary functional skills and managerial capabilities." As indicated earlier, the question is, how could we attract them to come to training and convince them of

its benefits? Kroeger goes on to say that:

"The prime motivational characteristics of small firm originators are self-confidence and independence, and fear of outside interference or control. Because of a reluctance to recognise the need for outside assistance, it is not surprising that three out of four new firms fail. The successful owner-managers either develops the skills or acquires them from external sources."

However, most owner-managers are not developing the needed skills fast enough to prevent the failure of their firms. The problem is that the survivability curve of the company is much shorter than the learning curve of the entrepreneurs.

Part of the problem stems from the ego of the owner-managers. Megginson (79) discovered that when he indicated that:

"it is the belief of most owner-managers that seeking help is admitting failure and ultimately will also lead to a loss of control over the firm's operations."

Megginson discussed the fact that ego feelings do not easily allow or encourage owner-managers to be open about their shortcomings. They actually foster the opposite, a feeling on the part of the entrepreneur that they must be unwilling to accept and admit their limitations, simply because they would "lose face" if others realised they were not invincible or infallible. Thus, it is no wonder that to some small business owner-managers, the need for training was seen as a weakness (55).

Kiesner (52) reported Krentzman and Samaras who examined

the reason for this denial and refusal to recognise or admit the need for help and its usefulness. Krentzman and Samaras outlined five major reasons why the small businesses they studied rejected the concept of using external Consultants. These reasons may also apply to the rejection of education and training as an assistance resource. The reasons are:

1. The consultants' fees would be too expensive.
2. By requesting outside help, the owner-manager was admitting failure.
3. Without criteria of selection, it was probable that the wrong Consultant would be hired.
4. By requesting and using an external Consultant, privileged information could be made available to competitors.
5. Time was crucial and it might become impossible to run the business and assist the Consultant.

It is interesting to note that most of these excuses are rather flimsy and illogical, but not in the eyes of the entrepreneur. They are, to them, logical and reasonable reasons for not seeking help. They do not realise that a good part of their not seeking help comes from their own motivations and fears.

Krentzman and Samaras also raised the point that, in addition to the five major excuses, the owner-managers also "fail to perceive any significant benefit for their businesses by using Consultants". The same is certainly true, and perhaps more so, when it comes to their perceptions of educational offerings. They point out that the potential users of outside

assistance are confused and worried about a number of other seemingly solvable problems. They worry about things such as: where do you find Consultants; how do you judge their ability; how do you use them; how do you evaluate their performance? Although their study was directed towards the use of Consultants, it would seem reasonable to assume that these same worries apply to the entrepreneur's views of education and training. Krentzman and Samaras indicated that the small business owner-managers felt insecure about many things, and that insecurity often turns into complacency and a failure to act. Solomon (70) stated that the entrepreneur's "willingness to accept his limitations" had some positive relationship with their willingness to accept the need for and usefulness of help, which supported this view. It was also claimed (55) that increased entrepreneurial characteristics had a negative relationship with interest in training. Further, he reported that a lower interest was found among managers who had a higher locus of control.

3.5.3 Does prior education and experience influence the use of training?

Some research has been carried out on the impact which prior educational levels has on the willingness of the entrepreneur to recognise the need for, and make use of, outside sources of help. It is interesting to note that the studies did not consider educational and training programmes as one of those sources, as they generally seemed to consider the use of Consultants, or people like Accountants or Bankers.

One of the studies in this respect was carried out by Anderson (80) in the USA. Anderson's research was mainly into problem areas for the smaller service firm, but he also touched lightly on education and its impact, as part of a study of the characteristics of the owners. He concluded that the higher the level of education, the more the business owners used outside sources of help. He did not specifically identify education as one of the sources. As one might expect, he also found that the older the firm and its owner-managers, the less likely they were to use outside services for help and advice.

As reported by Kiesner (52) Krentzman and Samaras surveyed 200 small business owner-managers and found that only 35 percent of those responding had ever used outside consulting. This is an interesting result, considering the problem level and failure rate of small businesses. If we can assume that this would have some relationship to the use of education and training, perhaps even to a lesser degree, it also becomes interesting to note that as the firms' size declined in the study, the use of outside help (consultants) also declined. The usage was 27 percent for smaller firms and 57 percent for larger firms in the study.

A finding by Bowser (81) seems to support the findings of Anderson. In her study of minority business owner-managers usage of management assistance, she found that those who used it were characterised by the following traits:

1. "They were younger
2. They had a higher level of education.
3. They had been in business for a shorter time.

4. They had less experience in the business.
5. They had more management experience, including prior jobs."

In addition, Bowser found that there was a direct correlation between perceived "success" in their businesses and the use of management assistance. Those who had used it tended to rate their businesses as more successful than those who had not.

3.5.4 The Importance Of Programme Criteria

Several studies have also indicated that programme criteria was one of the important factors which might influence owner-managers participation in future training provisions. The Durham Small Business Club's (64) report, for example, showed that owner-managers were more likely to undertake training if they could influence the course content, choose the time of attendance, and if courses were short and practical. Others (36) indicated that the level of attendance could be increased if provisions met the format desired by the owner-managers. The report showed that between 30 - 40 percent of the sample indicated interest in training if provisions were in at least one of the following formats:

1. a day-release course.
2. evening or weekend classes.
3. home-based study.

It was also reported (63) that attendance at training

courses had improved as a result of improved content and scheduling. A study by Reid (24) revealed that training needs that business owner-managers want addressed are influenced by their existing stock of business knowledge. He suggested that the stock of existing knowledge is influenced by age and education background of the owner-managers. A study in the USA by Banks et al (38) seems to support Reid's findings. They established that the most important factors in deciding to accept or to reject a training programme were subject matter, time and costs, a finding which supported the earlier conclusion of Kiesner (40).

3.5.5 Learning Preference Of Small Business Managers

A number of studies have established that the small business managers have a preference with regard to the kind of person who will be their trainer. The findings of Kiesner (52), Bailey & Royston (62) and Collins & Moore (82), for example, suggested that the small business managers prefer 'their own kind' to be their trainers. The findings of Thorpe (55) provided further support for these views. Consistent with the findings of earlier writers, Thorpe discovered that the small business managers learn most from their peers in the business. The question here is: What are the reasons for this preference?

The work of Bailey & Royston (62) seems to provide some clues with regard to the rationality for the small business owner-managers preference. The respondents to this Australian study indicated clear preference for other owner-managers as

their trainers. In their view, these people "know about the problems I am facing" and they "understand my industry and its problems". In contrast, academics were perceived as being too theoretical and lacking in practical experience.

The following reasons was offered by Gibb (74) (75) :

1. Very familiar.
2. Easily approached.
3. Continuously available.
4. Cheap or free.
5. Credible.
6. Likely to be relevant.
7. Time effective as sources of advice.
8. Trustworthy and confidential.
9. Part of the business community.
10. Local.

These indeed are very legitimate reasons. However, in addition to this preference to work with their peers, Thorpe also discovered that many of his 'successful' managers appears to learn from experience. They preferred activities which are related to current and practical aspects of their businesses. He suggested that much of the learning takes place by doing things and getting feedback from the results. This is in line with the argument made by Mintzberg (6) that managers prefers 'live action'.

In this, Thorpe suggested, when faced with a difficulty these managers will try something out and see how it goes. This 'experiential learning' process (83) (84) (85) (86) can take place away from the company, but more often than not, in the small businesses, it occurs through the normal requirements of diverse day to day activities. Thorpe commented that:

" the small business managers learn not so much by doing, as by talking to others, absorbing information and then taking action."

This was very much in common with the prophesy of Revans (87) that 'there is no learning without action and no actions without learning'. It is perhaps for this reason that an increasing interest has been given, in recent years, to approaches such as 'Action Learning'. [Note: Action Learning is the brainchild of Prof. Reg Revans. 'Action Learning' (86) (88) (89) is a method for personal and organisational development and involves small groups (sets), each member of which takes a difficult task or problem in the company and acts to change it, bringing the results back to the set for review and learning.]

In relation to training, Thorpe (55) suggested that:

"The managers preferred programmes that tackled their immediate problems and they learnt best from practical activities that made sense."

Thus, it was suggested that 'training and development programmes should be as close to work as possible so that it is a natural day-to-day activity (30) and linked to actual practical problems that the managers had encountered (90). In relation to this, Thorpe discussed evidence from research in the USA which has indicated that it may be important for an owner-manager to fail before he can succeed. This suggests that the successful businessmen may be those that learn from their failure. This kind of learning (experiential learning) is rich and rapid during the start-up phase and in the embryo

stage. One irony is that the high rate of small firm failures could in fact be a contributory success factor. This certainly does appear to be the case with many of the thousands of people taking advantage of the Enterprise Allowance Scheme (91). It is only following the first year, when their money has run out, that some feel confident they have the knowledge and experience to start a business.

In conclusion, it is apparent that these findings had direct implications for education policy for the sector. It tends to show that conventional approaches to management training are inadequate for the small business customers. Specifically, it highlights the need for a change of approach in the provisions of educational assistance to the small business customer and, in particular, in the system of delivery of training.

3.5.6 Further Requirement To Identify Needs

Despite the fact that much has been said about the importance of course criteria to meet the needs and desires of the small business, little effort has been made to identify what these criteria are and what are the types of programme which the owner-managers prefer. Training providers cannot continue to take no notice of the needs and interests of the customers. Following this view courses must, therefore, be designed to be as close as possible to meeting the needs and desires of the small businesses. This will be the key to a successful training programme and will help attract more managers to come to training.

Basic marketing principles would tell us that, to be

successful, educational programmes should be designed to satisfy the needs and interests of a target market. It would seem imperative, then, that any training initiatives should begin from the standpoint of the prospective learner (customer) or where 'he is at'. This means taking into account the very real constraint on the manager's time, their motivations and receptiveness towards training, and their own perceived needs which are often specific to the firm and the job of the individual managers and are geared towards increasing their competence in their current activities.

3.6 Chapter Summary

This brief review of the literature highlighted a number of salient points which are relevant to the objectives of this investigation. Firstly, it has shown evidence of the importance of management education and training as a means of enhancing the skills and knowledge of small enterprise owner-managers, to help increase the capability and efficiency in managing their businesses.

However, despite the importance of the role that it has to play, the studies reviewed showed that participation in education and training is not a conventional practice within the small business population. There exists a widespread disapproval of education and training within the sector and even those who had participated in it were skeptical of its benefits.

Next, the review set out to examine the reason for this lack of interest in education and training displayed by the

small business owner-managers. Within the supply and demand framework, a number of explanations were highlighted. Within the supply side, it was disclosed that training programmes are not quite hitting the mark. There is a clear consensus among researchers that, to be effective, all training programmes should be based upon thorough diagnosis of the training and development needs of the specific market. Yet, in reality, these principles are often disregarded. Training courses tend to be constructed on an ad-hoc basis and trainers have taught what they wanted to teach, not what the clients actually needed and would use in their work.

On the other hand, within the demand side, the situation was much more delicate. Many of the studies reviewed demonstrated that personality characteristics of the owner-managers could be a major barrier to participation in education and training. Personality characteristics which are typical of small business owner-managers and entrepreneurs, for example the need for independence and Locus of Control, can be a drawback in any attempt to attract the owner-managers to education and training. Further, the review has highlighted the special preference by the small business managers for learning through their peers and through their own experience. Such inclination must have important consequences on education and training policies for the small business sector.

CHAPTER FOUR
SMALL FIRMS IN THE CONSTRUCTION
INDUSTRY

CHAPTER FOUR

Small Firms In The Construction Industry

4.1 Introduction

The previous chapter has provided illustrations of the need for and importance of education and training for developing the small business sector in general. The central issue in this development lies in the improvement of managerial skills and knowledge possessed by the owner-managers of the small enterprises. By and large, deficiencies in management are widespread phenomena in the small business sector.

However, without disregard to other sectors of the economy, it was felt that the growth in the management capacity and capability seems to be much more needed within the construction industry. This requirement, in the main, was evidenced by the high failure rate of small construction firms. The fact that small firms represent a large number of business units in the industry provides further proof of this need.

This chapter sets out to highlight the importance of small firms to the construction industry and the economy as a whole, and examine the reasons for the high failure rate experienced by the sector. Next, literature on educational needs and interests of the small building owner-managers was reviewed. This review will highlight the paucity of research addressing the issue of education and training within the small construction firm and will present reasons why more research in this area is needed.

4.2 The Definition Of Small Construction Firms.

Within the construction sector, the definition proposed by Bolton (1) (25 employees or less) has remained largely unquestioned (2). Curran (2) attributed this to the fact that relatively little research has been carried out on small firms in the sector. Such studies are indeed very scarce (3). An extensive search of the literature resulted in only a very small number of studies being found, despite the relative predominance (and importance) of small firms in the industry.

Scase and Goffee (4) and Norris (5) used the Bolton (1) statistical definition (25 employees or less) while Asenso and Fellows (6) use assets as a measure of size. Other studies, for example the CITB survey (7) use annual payroll as the indicator of size. In this case, small construction firms are defined as those businesses which have an annual payroll of not more than 1 million.

This thesis does not aim at proposing a new small business definition. Its main interest is not on the firm but in the owner-managers themselves, their perceptions, needs and interests in education and training. The qualifying criterion here is that the owner must be actively involved in running the business. The definition adopted, therefore, must be able to meet these needs.

Bearing this in mind and taking into consideration the suggestion made by Curran (as mentioned earlier in Chapter Two, page 19) on compatibility of definitions, it was felt that the definition of small construction firms that was proposed by the Bolton Committee (1) was most suitable. This study, therefore, accepted both the statistical and economic

definition of small business proposed by Bolton. Thus, a small building firm in this study, refers to:

An independent and owner-managed firm whose total personnel taken as a whole does not exceed 25.

This definition of small business is used in Chapter 5 of this study to provide guidelines for determining the selection of the population and sample.

4.3 The Importance Of Small Construction Firms

The significant contributions made by small firms to the industry and the economy as a whole can be illustrated with the following facts. The Housing and Construction Statistics (8), which was published in 1991, reported that the total number of small firms (9) in 1989 was 196,572. The figure has increased to over 205,000 in 1990, which constituted almost 98 percent of the whole of UK construction firms. In the same year it had contributed about 36 percent of the total value of work done, which amounted to more than 36 billion pounds. This was quite a sizeable percentage attributed to the large number of small companies in the construction industry. From the view-points of aggregate size, small construction constitutes a large business sector and will occupy a significant role in the industrial economy.

However, moving away from these statistical facts, there are other factors making small firms important. These have been highlighted by Hillebrandt (10) (11). Hillebrandt

asserted that there are a number of advantages which accounted for the importance of small construction firms. In general, the reason for the importance of the small firms can be summarised as follows:

4.3.1 The Type Of Demand Within The industry

A figure of slightly over 50 percent of the work done by small construction firms is repair and maintenance and a further 30 percent is new work. Repair and maintenance is by its very nature let in small diverse parcels of work which are more suited to a small flexible organisation than to a large one. Large contractors do not have the type of organisation which is suited to undertaking a large number of small repair and maintenance jobs, many of which may develop into a greater volume of work than originally intended and for which overall planning is therefore especially difficult.

A large amount of the housing work, particularly on small projects is done by small builders either on a speculative basis or for a client. This is unsuited to the management machinery of a large organisation.

4.3.2 Geographical Spread Of The Work - Localised Demand

Unlike most products of manufacturing industry, the output of the construction industry must be produced or at least assembled at the point of ultimate consumption.

In addition, the product is a heavy one and many of the materials are heavy. The labour content is high especially in building. Consequently, except for large contracts, it is not economical for contractors to operate outside a radius of say fifty miles and many operating on small new work would regard their normal radius as nearer ten or twenty miles. The small repair and maintenance contractor in a small town may find the major part of his work in a radius of one to two miles.

4.3.3 Competition For Larger Companies

Small companies have always added a major contribution towards keeping their larger competitors on their toes, which is probably one of the reasons why small firms have been lately receiving more attention from the government.

4.3.4 Interdependence Of Companies

The interdependence of small and large companies is one of the basic realities of our economic life (12). Some functions are more expertly performed by small companies which in turn enable the small companies to contribute to the success of larger business concerns. This situation is more valid for the construction industry because here, small firms co-exist with some of the biggest enterprises in the economy because even those big construction firms have relatively little capital tied up in plant and

machinery. Large and small firms are also often economically linked together on specific projects via complex chains of subcontracting. If small construction companies were suddenly removed from the contemporary scene, the larger companies would find themselves saddled with a myriad of activities that could be only inefficiently performed (12).

4.3.5 The Superiority Of Small Companies

The next advantage of small companies lies in the fact that small companies are superior in some areas to big companies. For instance, mass production requires mass markets; a limited or specialised market may be served by a small company. Geography and production specialisation both provide limited markets effectively served by small companies (12).

4.3.6 A Source Of Big Companies

Another reason for the importance of small companies related to the inevitable possibilities of some of the successful small companies becoming big companies through time. Therefore, as a source of large companies, small companies are invaluable. This possibility of growth makes small companies tremendously important to the economy. Almost all big companies can therefore be said to be the "product" of small companies.

4.4 Management Performance And Efficiency Of The Small Construction Firms

Similar to their counterparts in other industries, owner-managers of small construction firms have shown serious deficiencies in the management of the business. Generally, the deficiencies in the management of construction firms had been noted by a number of researchers (12) (13) (14). Hillebrandt (14) commented that:

"it is management and not fixed assets which is the scarce and fixed resource of the contracting industry".

According to Young (13) this deficiency can be evidenced in two ways; firstly, the squeezed profit margin of contracting organisations and second, the client's demand for speed and efficiency and value for money. With regard to the first, she suggested that:

"A major reason for weaker profit margins is the increasing pressure on contractors to compete for tenders. Competitive tendering, in the main, is the way the industry conducts its business."

In a desperate bid to win contracts, prices have to be adjusted, in many cases, to such an extent where the margins are down to the bare minimum. Under such circumstances the contractor is faced with a desperate need to improve efficiency. This need is much more significant within the small firm population where the number of failures is highest.

With regard to the second, Young observed that the present performance of construction firms has caused

discontent among clients. She reported that the major sources of dissatisfaction were (a) speed of project completion (b) project efficiency and (c) value for money/quality. All of these, as one might suspect, again are attributed to inadequacies in management. Although she is not speaking purely in the context of small firms, the fact that small firms constitute a major segment of the industry signifies that it is indeed a problem for the sector.

4.5 Failures Of Small Construction Firms

The subject of failure has stirred much interest within the construction sector. The reason for this interest has been the fact that there is a high failure rate involving construction firms. Statistics have shown that the proportion of construction firms failing was approximately twice that of the manufacturing industry. The fact that there were so many failures in the small firm sector and that most of them were from the construction industry (see for example Hall & Young (15)) only emphasises the serious problems faced by small construction firms, thus the importance of this study.

Some particular problems which appear important and may lead to failure of small construction companies have been examined by a number of researchers. Hillebrandt (16), for example, gave the following reasons for small construction failures:

1. The high risks involved (including that of pricing product before it is produced)

2. Tendering as a method of pricing.
3. The low fixed capital requirement of construction firms.
4. A tendency to operate with too low a working capital (which can be done but requires a finely balanced operation that can easily go wrong with a change in business conditions).
5. The ease with which anyone can enter the industry and this encourages the inefficient contractors at a time of plentiful work (and which the central core of the industry dislikes). Easy entry must logically be accompanied by ease of exit in a period of lower work load.

A similar observation was made by Woollett (17) when he suggested " the lack of capital to support work load " as a major cause. He declared that the unexpected incident of the peaking of demand for cash, which is common in the industry, is a catalyst of failure since no business can operate without an adequate supply of cash. He further suggested that the manner in which the British construction industry operates tends to accentuate this irregular peaking of cash demands. The findings of Caw et al (18) showed support for Woollett's (17) claim. In their concluding remarks, the authors indicated that:

"...it seems that the most important cause of failure is undercapitalisation...poor Operations Management, poor Management Accounting and short term liquidity problems"

but,

"our analysis shows that poor Operations Management is the most frequent cause of failure".

however, they suggested that;

"In the construction industry, undercapitalisation is a more frequent primary cause of failure than average...)"

Woollett (17) argued that the financial structure of construction companies gives them a very high risk profile. As a result, construction firms experienced liquidity problems. He suggested that the financial structure of construction firms is influenced by the following external factors:

1. The inability to raise equity capital.
- 2 The need to operate on short term credit.
3. The large amount of receivables (money owed to the contractor) on the books.

The problem is further exaggerated due to the characteristics of the industry which sometimes are said to have resulted in a less than favourable financial structure which can cause uncertainties in the companies.

According to Ballin and Morledge (19), the high rate of bankruptcy is not just due to bad luck but the result of mismanagement and inefficiency. They listed the following factors as posing particular difficulties to the construction

firms and even led to failure as a result of losses.

1. Compliance with contract, often disregarded but can be an important factor because the profits and very existence of the construction firm rely on such compliance.
2. Blind estimating, that which is based on theoretical or assumed costs rather than recent experience.
3. Executing contracts without proper regard to the provisions because of the contract documents.
4. Losses as a result of carrying out work based on verbal instructions because there is no proper documentation procedures.

The central message that flowed from these limited numbers of studies was that the failures of small firms, in the main, were the result of inefficient management. Thus, any effort towards improving the capability and efficiency of managing the small businesses could indeed be very rewarding.

4.6 Educational Needs Of Small Building Firms

Literature on management training and education needs within the Construction Industry, especially the small firm sector has been very scarce. All the studies quoted in the last chapter concern either the manufacturing sector or cover all sectors generally. Nevertheless, despite the paucity of research on the small firms, several studies related to education and training in the broader area of construction can

be found in the literature.

One of the earlier studies which reviewed training and education within the industry was that of the C.I.T.B. (20). This study found that the majority of small construction firms' managers are drawn from the population leaving school at 16 or earlier. This characteristic of lack of education not only resulted in a lower efficiency in the management of the firm but, it was argued, it poses a special problem of inadequate foundation of general education for the development of specific management training. Yet, what was needed by the owner-managers was more of such training (10). Hillebrandt (10) contended that;

"the efficiency of management in small firms, particularly in the field of central planning of the whole range of jobs and financial control, pricing and obtaining work, ... could be improved with more training and advice."

In 1987, Finnigan et al (21) reviewed the managerial knowledge used and needed by C.I.O.B. members. He reported that the majority of his respondents were very much in need of management training especially in Human Relations, Organisation, Contractual and Motivation Skills. A more recent study on the subject was the Survey of Supervisory and Management Training Needs In The U.K. Construction Industry. The survey, which was undertaken as a result of the recommendations from the Morley Report in 1986 (22), was carried out in two parts, the first part was carried out by the Department of Building Engineering and the School of Management at UMIST [The findings of the first part of the

survey was reported by Duff and Makin (23) in their presentation at the CIB 90 Conference held in Sydney, Australia.], and the second by a London firm of management consultant, Binder Hamlyn. The Surveys, which culminated in the publication of a joint report (7), revealed that management training requirements for Supervisors and Managers in the Construction Industry fall into 3 major categories namely Business Management, Man Management, and Health and Safety. Seven core topics have emerged from the survey as most needed in supervisory and management training. These are Quality Control, Managing People, Planning (including Financial Planning), Progress Control, Health and Safety, Materials Control and Industrial Relations.

With regard to small firms, the report revealed that:

"small companies do virtually no formal management training, preferring either to develop management skills by gradually increasing the level of responsibility, or to recruit managers with appropriate skills as the need arises."

In a study of career development in construction, Young (13) discovered that there are 7 major categories of skills and knowledge which are needed by construction managers. These are as follows:

- | | |
|-------------------------|-------------------------|
| 1. Organisation | 5. Personnel Management |
| 2. Communications | 6. Quality Assurance |
| 3. Human Relations | 7. Marketing/Sales |
| 4. Operational Planning | |

However, Young recognised that there was some differences

in the degree of need on each of these skills, at each level of management i.e. junior, middle and senior. This was consistent with the findings of the CITB survey (7) which indicated some differences between smaller and larger firms and also between different levels of managers in the relative importance assigned to the different training topics. Nevertheless, her finding suggested that there is a general agreement among each level of management about the importance ranking of each skill and knowledge.

Despite the findings reported above, it is interesting to note that none of the studies mentioned gave a particular attention to the needs of small firms. As was indicated in the earlier part of this thesis, small firms are "different and have different problems from those of larger organisations". Thus, in effect, what the small firm owner-managers training needs were remains largely unknown. Hence, it was felt that there was a great need for further research in this area.

4.7 The Need For More Research

The limited number of studies on education and training within the construction industry, which have been reviewed in the above, has shown clear proof of the need for more research to address the issue of education and training needs of small building firms.

Recognising that education and training programmes should be developed to meet the needs and interests of a given audience, a study was undertaken to determine the educational needs and interests of owner-managers of small firms in the

building industry in the Central Belt of Scotland. For the purpose of the study, an educational need was defined as a programme topic that may be desirable or useful. Interest was defined as the willingness to attend and participate in a particular type of programme.

4.8 Chapter Summary

This chapter presented the rationale for more research addressing the needs and interests of small building firms. This need emanates not only from its contribution to the industry and the economy, but also due to the fact that research addressing the needs of the sector is vastly lacking.

CHAPTER FIVE
RESEARCH METHODOLOGY

CHAPTER FIVE

Research Methodology

5.1 Introduction

This research programme was designed to examine the management training needs and interests of owner-managers of small building firms. The research design used was:

- a) To Survey a sample of 200 owner-managers from a population of small building firms in the Central Belt of Scotland.
- b) To select a smaller sub-sample of 20 owner-managers from the list of Survey respondents and utilise the Repertory Grid and Personal Project Technique to obtain information concerning the factors which determine and shape owner-managers' perception of needs and interests in education and training.
- c) To use the responses obtained from the Survey, the Repertory Grid Interview and Personal Project Questionnaire to extract information on major variables set in the objectives of the study.
- d) To analyse the responses obtained from the Survey, the Repertory Grid Interview and Personal Project Questionnaire to support or discount the suppositions made.

5.1.1 Research Questions To Be Studied

The previous chapters have revealed some evidence in the literature on the attitudes of small businesses to education and training. In general, interest in education and training is vastly lacking within the sector. Many small business managers exhibit little interest in education and training while others held a more negative attitude to it (1) (2). In contrast, it was also reported that there exists some owner-managers who recognised the need for education and training (3) (4) (5). Although their number is much smaller than those in the previous group (6) (7), these managers perceived a more positive view of education and training (8) (9).

The relevant questions here are: "Why does the perception of need and importance of education and training exhibited by the owner-managers vary?"; "Why were some managers interested in training while others were not? What were the factors that gave rise to the greater or less interest in education and training perceived by the owner-managers? As yet, the evidence available in the literature on what these factors are were both mixed and limited.

As indicated earlier, Tait (10) hinted that the perceptions of need and interest in education and training were influenced by owner-manager characteristics, business characteristics and the wider business environment. Others such as Watkins (2), Reid (11), Collins & Moore (12) and CBI (13) suggested education background as a contributory factor. Yet others such as Sotrines (7), Bailey (9), Filley (14), Solomon (15), Curran (16) and Welsch and Young (17) implied that personality characteristics of the small

business owner-managers as the reason for poor take-up of education and training.

Other evidence (7)(18) showed that age and level of education of the owner-managers, the size of the firm and their 'perceived' level of success were directly correlated to the extent of use of external assistance. Given that education and training is a source of external assistance, the findings implied that these factors would also have an impact on interests in education and training. Further, if higher age is taken to mean that the owner-managers had been in business or had been owner-managers longer, it implies that the more experienced or the longer the owner-manager had been in business, the less interested he would be in attending training.

Yet, a well documented reason for the reluctance to take up training was the difficulty of finding time to attend training. This shortage of time is more acute where no back-up staff was available to take the responsibility of managing the business in the absence of the owner-managers. This suggests that owner-managers were more likely to attend training if they could relieve themselves from their busy schedule. In addition, the quality of provisions was also an important consideration.

Generally, the evidence illustrated above has shown that interests in education and training were determined by various factors. The level of interests demonstrated by the small business owner-managers would be influenced by their perceptions of these factors. Based on the evidence, the following general suppositions could be:

Supposition 1:

The response of owner-managers to training programmes would be strongly influenced by their perceptions of their personal and business needs.

Supposition 2:

The value placed upon and interest in training opportunities presented by owner-managers were influenced by their perceptions of the quality and the content of training programmes together with those persons presenting the programmes.

Supposition 3:

Interest in training was motivated by the pattern of understanding by owner-managers of their personality, their past education, their length and type of experience, the relative success of their businesses and their previous training experience.

Additionally, as was discussed earlier, the small businesses varied greatly in terms of the types of knowledge and skills needed. It was suggested that these were determined by factors such as the existing stock of knowledge possessed by the owner-managers (11), characteristics of the businesses and the wider business environment (10). Thus, given the diversity of the characteristics of the small businesses and their owner managers and the fast changing nature of the environment within which they must operate, the range of knowledge and skills needed must be considerable.

Nevertheless, there are other evidence (1) (8) (13) which

showed that, although the type of knowledge and skills needed were vastly varied, certain specified needs could generally be identified. Within the Construction Industry, several areas of interests were identified (19) (20) (21). Unfortunately, these findings were based on samples which come from many different types of services and a variety of firm sizes. Given that the needs of small firms were different from that of larger businesses, investigations targeted at the smaller building firms sector seemed inevitable. This suggested that:

Supposition 4:

A clear understanding of the small business owner-managers' needs for training is essential in establishing a better means of the designing and delivering of particular knowledge and skills.

Recognising this need, a study was undertaken to determine the Educational Needs And Interests Of Owner-Managers Of Small Building Firms in the Central Belt of Scotland. The main research questions were:

- (a) What are the current interests of owner/managers of small building firms in attending education and training courses?
- (b) What are the factors that determine their perception of needs and interest in education and training?
- (c) If they are interested, what are their current management training needs?

For the purpose of this study, an educational need was defined as a programme topic that may be desirable or useful. Interest was defined as the willingness to attend and participate in a particular type of programme.

Caveat:

However it must be emphasised that investigation will not attempt to identify the content of a programme. In designing the content of a training programme, actual management weaknesses must be analysed and suitable knowledge package must be developed. Although this is an interesting area for investigation, it is beyond the scope of this study. Given the constraint of time and funding, this investigation is deliberately designed to put emphasis in the owner-managers themselves and their perceptions of interest in education and training. Further, as the evidences in the literature have shown, programme content can only be specific to particular needs analysed from selected sets of recipient.

5.2 Data Collection Methods

5.2.1 Nature And Source Of Data

The data derived for this study was not found to be easily available from other sources, therefore, collection of primary data was inevitable and preferred. The overall basic approach was to ask the actual recipient, or potential recipient of education and training what their needs and

interests were.

One question emerged at this point. Should one take the owner-managers' perception of problems and needs and leave it at that? Almost certainly to do otherwise would increase information requirements considerably but on the other hand one could argue that reliance on the owner-managers' perception alone may give a partial and perhaps deceptive view of their business operations. Certainly the small businessmen are not totally knowledgeable in what they need in the area of small business education and training. One could also argue, however, that it is the owner-managers' perception which govern their behavior through the various stages of decision making. Thus, it is their perception of needs that will be a critical factor in the uptake of educational assistance. Certainly from this perspective, it is their perceptions that are more important than those of anyone else. The small businessmen are not using the product now. To ask them why not and what we should change to get them to attend, is certainly a legitimate pursuit.

The research method adopted consisted of gathering data from the owner-managers of the small building companies. The data sought were of three major types:

- a) Facts and opinions on the current needs and interests of owner-managers of small building firms in education and training provisions.
- b) Facts and opinions on the factors which influence and shape the interests of such managers.

- c) Facts and opinions on the type of management education and training needs of owner-managers of small building firms.

In the process of selecting a suitable research method, several considerations specific to the problem associated with data collection from the target group were considered. The choice between the following alternative research methods was based upon the review of such methods by Blum and Naylor (22) and methods described by Buckley, Buckley and Chiang (23), Seltiz et al (24) and Stammers and Patrick (25).

- a) Group methods were deemed totally unsuitable due to the anticipated reluctance of owner-managers to talk publicly about their problems and attitudes.
- b) Diary and Time log techniques were likely to be unacceptable because of the time consuming nature of the process.
- c) By the nature of the small owner-managed businesses being studied, participant observation was totally impractical, although it might be argued that a major influence on the current course content was 'participant experience'.
- d) The various methods of Task Analysis which were developed to establish the psychological demand of task, Miller (26), Bloom (27), Gagne (28) and Annette and Duncan (29) were excluded on many grounds for this particular investigation, not least being the fact that the work of the typical owner-manager is highly unlikely to contain any

significant prescribed and repetitive element, a characteristic for which task analysis is thought to be most appropriate.

e) A method that seemed particularly appropriate to the study was the Survey method. The survey method was selected for the following reasons (Buckley, Buckley and Chiang (23), Smith (30):

- i) Survey method was likely to be the only method of retrieving information about the past histories of individuals especially if the data is sensitive or considered private to an individual.
- ii) The survey method is a good technique for the exploration of attitudes, values, beliefs and motives. It has the ability to capture people's impression about themselves, their environment and their response to changing conditions. Furthermore, generalisability is one of the strongest points of the survey method.
- iii) Data collection by survey is efficient as it can be structured in order to obtain specific information from a wide population.
- iv) The data is standardised in that respondents are assumed to react to the same stimuli.
- v) As a form of data collection in social research, survey methods are comparatively cheap, simple and easy to administer.

- vi) The opportunity to analyse data through a variety of standard statistical procedures.

5.2.2 The Background Of Data Collection Techniques

Before firming up on the research design a number of data collection techniques were examined. These are Questionnaires, Interviews, Critical Incident Techniques, Personality Tests, and Repertory Grid Technique. A Brief description of each of these techniques of data collection are given below:

A) Questionnaire Survey

A questionnaire asks the respondent to supply information pertinent to the subject of a study. Questionnaires can be self-administered and group administered and may contain close-ended or open-ended questions. A questionnaire survey is one of the most widely used data collection technique in social research. It is particularly suited for collecting data from a large sample in a population which are scattered over a wide geographical area.

B) Interviews

Interviews are a universal and powerful fact-finding technique which can be used for many different purposes and in many different ways. In diagnosing management training needs, interviewing was undoubtedly the principle technique used by

researchers (31). The purpose of interviews are to gather relevant information through face-to-face contact. This information may concern events, work activities, knowledge, behaviour, attitudes, opinions, values, habits, perceptions, and so on.

The use of interviewing as a data collection technique yields several advantages and disadvantages which can be summarised as follows:

- a) Answers to questions are more likely to be spontaneous and may, in some circumstances, accurately reflect the true situation than a considered answer. With a considered opinion, the respondent may give the response he considers the researcher is looking for, or the response which the respondent considers reveals him to be a better person than the true answer would.
- b) It is more complex and in some cases, leading questions may unintentionally be asked during the interview.
- c) The researcher has the opportunity to personally evaluate each respondent.
- d) Ambiguity in question or response may be clarified by the interviewer immediately.
- e) The interviewer may sometimes lead the responses by imposing too much over the conversation.

C) Critical Incident Techniques

This is a psychological technique proposed by Flanagan (32). The technique has been used for producing training routines and schedules from the experience of participants in earlier training courses. Flanagan defines critical incidents as 'a set of procedures for collecting direct observations of human behaviour in such a way to facilitate their potential usefulness in solving practical problems and developing broad psychological principles'. By incidents Flanagan meant 'any observable human activity that is sufficiently complete in itself to permit inferences or predictions to be made about the person performing the activity'. Plainly, critical incidents are those particular and distinct event in the life of the organisation that are different from the ordinary daily routine. In facing and handling these events, it is assumed, managers will apply and demonstrate certain skills, or will be unable to take appropriate action since they are ill-prepared for such a situation. Examples of critical incidents are:

- a) the cancellation of a major order by an important client.
- b) an unexpected resignation of a site manager.
- c) an unexpected strike.
- d) a sharp increase in prices of raw materials.

The technique is based upon a one to one interview. When the technique is used, managers are asked to recollect and describe particularly different situations and problems they had to face in relation to their job performance, within a

specified period of time, say the last 12 months. In the interview, both positive and negative outcomes are sought. The critical events obtained are then classified and the categories thus established are subjected to a more profound examination, in particular as regards the requirement of management skills, or the absence of knowledge and skills that made the handling of a critical incidents difficult or impossible.

Flanagan describes two underlying principles for the use of Critical Incident Techniques. These are:

- a) Reporting of facts regarding behaviour is preferable to the collection of interpretations, ratings and opinions based on general impressions (and subject to observer bias).
- b) Reporting should be limited to those behaviours which according to competent observers mark a significant contribution.

The attraction of this technique was that it represented a possible means of bridging the gap between observation and recording and interpreting the reasons behind actions. Thus by so doing lead to greater understanding of the behavioral motivations of the owner-managers.

The technique enjoys the following advantages:

- a) The critical incident technique call attention to critical job behaviour and indicates organisational areas where people had not thought of looking for training needs;

- b) It takes less effort to carry out, in that it requires less preparation than other techniques (interviews, questionnaires, etc.);
- c) It is useful for performance appraisal interviews, since the evaluator can be specific in making comments on what happened at work;
- d) It helps to avoid a bias that is the result of recent information about behaviour, achievements or failures;
- e) A categorised large number of incidents can help to select and classify managers for training and set training priorities.

However, several limitations has been observed, as follows:

- a) The incident technique can become time-consuming and burdensome when critical incidents are recorded for all managers over a long period of time;
- b) It will not give detailed and exhaustive coverage of every potentially important job behaviour and management training need;
- c) The level of objectivity of the reported and categorised incidents depends to a great degree upon the skills and objectivity of the observer.

Although it was considered, the method was not used as it does not collect information on educational 'interests' of the respondents, thus not meeting the requirement of this study.

D) Personality Tests

The area of personality was seen by both this researcher and his Supervisor as a particular area to examine. The aspect of personality has been featured greatly in small business literatures. Although much of it was considered fixed, some aspects of personality , e.g. motivations , are considered extremely important (at the start-up stage of a business) and some aspects of these, it has been claimed, can be developed. Other aspects of personality are much less definable.

In considering the type of tests, it was recognised that some tests are not suitable for measuring the type of information required by this research; they are not God-given and are always open to further explanations. However, on scanning the choices available, a number of different tests were considered:

- a) n-Ach - this was considered, but was not used as it would run short of meeting the overall objectives of the study.
- b) Locus of Control - was considered, but tend to be extremely long and in need of de-americanising to be acceptable.
- c) MBTI and 16PF - were considered but tend to be rather complex and their uses were restricted to experts (qualified Psychologists).

E) Repertory Grid Technique

The Repertory Grid Technique was introduced in 1955 by a Psychologist named George Kelly (33). The theory underlying the use of Repertory Grid was Kelly's Personal Construct Theory (33). The theory states that as each person progresses through life, he builds for himself a construct or a representative model of the world which is used to guide his behavior. Throughout his life, he questions, explores, revises and replaces these constructs in the light of predictive failure, thus allowing him to make better predictions.

Kelly (33) asserted that, since birth, we build up a set of expectancies or hypotheses which reflect our past experiences. The crucial point, argued Kelly, is that these hypotheses influence and condition our present experience and our anticipation of the future. They are like a pair of 'spectacles' through which we get information, thus affecting what we see and how we see it. Kelly called these 'spectacles' a construct system and termed the individual hypothesis a construct. It therefore follows that if we can find ways of knowing a person's construct system then we should be in a position to predict his behavior.

Stewart, Stewart & Fonda (34) indicated that constructs possess certain unique properties. He suggested that these unique properties must be understood in order to facilitate communication and understanding of the Repertory Grid Technique. These are as follows:

- a) The medium through which perception occurs is the construct system.

- b) Construct systems are unique to individuals and develop throughout life.
- c) A construct is an aspect, feature or quality which distinguishes some objects from others. It is an axis of discrimination to all thinking operations - a reference axis upon which one may project events in an effort to make sense of what is going on. A construct always involves a basic contrast of similarity and difference.
- d) There are three (33) types of constructs:
 - i) Pre-emptive constructs group objects exclusively in their own realm (for example, species name). "This is an X and nothing but an X."
 - ii) Propositional constructs are not exclusive and do not prevent objects being construed by other constructs. "This is an X, but it can also be a Y."
 - iii) Constellatory constructs fix membership not only to one, but on several constructs. "If it is an X, then it must also be a Y."
- e) Constructs are linked together in a hierarchical manner to form a construct system.
- f) The psychological processes of two persons are similar to the degree in which both of them construe certain sets of similar experience.
- g) Similarly, to the extent that one person construes the construct processes of another, he or she may play a role in a social process involving the other.

- h) The constructs most useful to us are those which discriminate best between events.
- i) Constructs have a limited range over which they operate.

The Repertory Grid Technique originally was used as a tool in Clinical psychology to investigate the relationship between patients and their families, friends and colleagues and to assess the relationships between a patient's cognitive map about people. It was first used in industry by Market Research experts as a method of eliciting consumer's views on products and had also been used for training evaluation purposes (34). The Repertory Grid Technique has two main contents;

- a) Elements - This is the subject of investigation; these may be in the form of people, situations, or abstract ideas; in this research, the various methods of coping that the individual owner-managers used in the course of managing their business.
- b) Constructs - These are the bi-polar distinctions or 'Qualities' of the element which the respondent used to describe or discriminate the elements.

Teo (35) quoted Smith who states that the production of a repertory grid is deceptively simple. These are:

- a) "The object of a manager's thoughts are obtained".
- b) "The qualities he uses to describe the objects are elicited".

- c) "The grid is produced with elements along the top of a matrix and the constructs are arranged down the side of the matrix. Then, say using a seven point scale the manager works along the matrix rating each element on each construct".
- d) "Computer analysis is applied to the results using sophisticated statistical techniques to analyse the underlying structure of the data".

A Repertory Grid Technique is a tool for uncovering an individual's view of the world. Its procedure is closely linked to the theoretical roots of Kelly's definition of a construct. As put forward by Kelly, a construct is "in its minimum context, a way in which two elements are similar and contrast with the third." This distinction was emphasised by Fransella and Bannister (36) who indicated that:

"When we say that Bill Boggs is honest, we are not saying that Bill Boggs is honest, he is not a chrysanthemum or a battle-ship or the square root of minus one. We are saying that Bill Boggs is honest, he is not a crook. "

Basically a construct is a dimension which may evolve when considering a particular set of elements. It is the qualities of the element attached by a person. However, given its dimensionality, a construct can usually be applied to a further range of elements, thus allowing one to extract matrices of inter-relationships between constructs and between elements.

It was observed (33) that constructs do not exist in isolation but are closely linked to one another in a more or

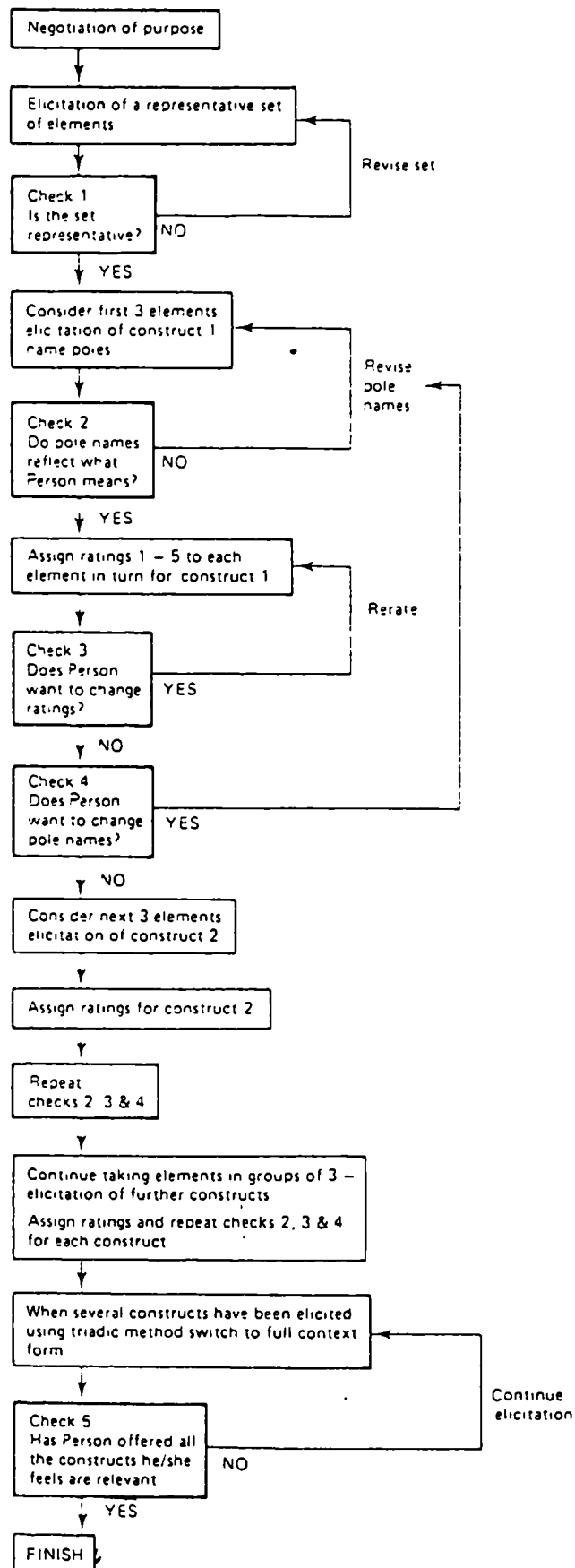
less coherent and hierarchical manner. A person's constructs may be grouped into two categories namely:- "core" constructs and "peripheral" constructs. "Core" constructs are those which are of central importance to the individual. This type of construct often remains very stable and is more resistant to change. On the contrary, "peripheral" constructs are subject to changes and occur at different levels of an individual's construct system.

Laddering is a technique of moving between construct levels. Given a construct, one can either ladder "upwards" towards the central construct by asking which pole of that construct is more important to the individual and why. For example, in investigating the constructs of an individual about efficiency at work and the construct "keeps good time/always late" is elicited. It is possible to obtain further constructs (if a person keeps good time, he/she shows commitment and vice versa) by asking the "why" question. This process may be repeated until the central construct of the respondent is revealed. Similarly, constructs could also be ladderred "downwards" by using the how or "what" questions instead to obtain more specific constructs.

(1) The Repertory Grid Interview procedure

There are many well established methods used in practice to elicit the construct system of individuals. The most typical approach as illustrated by Pope and Keen (37) is shown in Figure 5.5.1 and involves the following steps as follows:

Figure 5.5.1: Flow Diagram For Grid Elicitation
(Source: Pope and Keen, Personal Construct Psychology And Education, 1981, Academic Press)



- a) Defining the purpose of the grid.
- b) Selection of elements.
- c) Elicitation of constructs.
- d) Ratings of elements of each construct.
- e) Analysis of Grid.
- f) Feedback to respondents.

Each will be discussed below:

a) Defining the purpose of the grid

This is the most important preliminary consideration before beginning the process of eliciting elements and constructs. Two issues must be clearly addressed and answered at this stage.

- i) What is the topic to be investigated ?
- ii) What is the intended use of the grid information ?

It is essential that adequate time and consideration should be given to defining the purpose of the investigation. With a clear objective defined, it is then possible to select representative elements and elicit constructs which are appropriate to the purpose of the exploration.

The second issue on the intended use of the grid information has an influence on the format and procedure of grid elicitation. There are various ways in which the grid information could be used. The following list provides some examples of its potential usage:-

- i) a conversation with one's self;
- ii) gathering of information about an individual's views on a particular topic;
- iii) a comparison of the viewpoints of two people in terms of either:-
 - (a) degree of agreement between, or
 - (b) the degree to which either can gauge the other's point of view;
- iv) an exploration of the nature and sharing of construing within a group;
- v) monitoring of changes in perspectives.

b) Selection of elements

This involves the selection of a set of elements representative of the area of investigation. Elements may consist of objects, events, situations, pictures, buildings or people. They could be provided by the researcher or elicited personally from the respondents. The choice between elicited and provided elements depends on the researcher and also the purpose of the investigation. However, it is important that adequate groundwork should be done to ensure that the selected elements are representative of the nature of the problem to be investigated. Normally, this would entail discussion or conversation with the potential subjects so that a common understanding could be achieved between the researcher and the subjects.

Generally, there are four distinct ways in generating elements as follows:-

- i) **Supply elements (Provided elements)** - The elements are provided by the researcher.
- ii) **Provide role or situation description** - The researcher provides description of certain role, object or situation and the respondent is requested to provide examples to fit the description.
- iii) **Defining a "pool"** - The respondent is asked to "name five effective managers" or "list seven types of perfumes she likes" or "to list five leisure activities he or she indulges in".
- iv) **Elicit through discussion** - The researcher discusses the topic of investigation with the respondent providing guidelines and prompts to elicit the appropriate elements.

Teo (35) indicated that there has been some controversy arising from the debate on the usefulness of using provided and elicited constructs. However, he quoted Adams-Webber who suggested that "Although normal subjects prefer to use their own elicited constructs to describe themselves and others, both kinds of dimensions seem to be functionally similar when the grid technique is employed to assess the structural features of their cognitive systems."

Another question commonly asked is " how many elements should a Repertory Grid contain ?". Ideally, it would be very informative to have a large number of elements. But, the task of construing a large number of elements can be very tedious and time-consuming. On the other extreme, too small a number of elements may provide insufficient details or a devoid grid. Thus, in practice, it was suggested that between 6 to 10

elements would provide a useful basis for the elicitation of a reasonable grid.

c) Elicitation of constructs

This is the process of obtaining constructs from the respondents. Normally, the elicitation of constructs is carried out by presenting a random set of three elements at a time to the respondent and inviting him or her to think of similarities and differences between the elements. The standard question is:

" In what ways are two of these alike and different from the third in terms of... (purpose of study) ?"

There are six principal approaches to the elicitation of constructs as follows (33):

- i) **Triadic construct elicitation** - In this method, the respondent is presented with three elements at a time from a list of representative elements and asked to distinguish in what ways are two of the elements alike and different from the third. The respondent is then requested to name the emergent pole and the implicit or contrast pole which discriminate the elements. The two contrasting poles of the construct are then recorded.
- ii) **Dyadic construct elicitation** - this is a method used when the respondent finds it difficult to supply any constructs (38). In this method, only two elements are presented to the respondent so that he

will be able to discriminate the differences or likeness between them more easily.

- iii) **Free response construct elicitation** - Through conversation, respondents provide their personal constructs instinctively.
- iv) **Supply constructs** - This is the fastest way to generate constructs whereby the researcher provides pre-determined constructs for the respondent to assign the necessary ratings.
- v) **Laddering** - This technique is normally used in conjunction with one of the above methods after some constructs have been elicited. It involves asking the respondent a series of "Why" or "How" questions so as to elicit more specific constructs.
- vi) **A combination** - of the above methods.

It was suggested (34) that, an important point to remember in eliciting constructs was its relevance to the purpose of the investigation. Basically, there are three different types of constructs which may arise from the elicitation process:-

- i) **Sensory-perceptual** - These constructs are normally elicited when investigating the perceived attributes of objects or situations. For example, the elicitation of personal constructs of quality controllers who are working on a production line.
- ii) **Behavioural/Inferential** - These constructs reflect upon the behaviour of the subjects on certain persons or situations. For example, it would be

appropriate to elicit behavioural constructs of shoppers or consumers.

- iii) **Feelings/attitudinal** - These constructs describe the feelings or attitude of individuals towards certain persons, objects or situations such as the constructs of workers when working on production line.

Yet, another important question to consider is "how many constructs should be included" in the repertory grid. Kelly suggested that it is vital to elicit several constructs in order to explore an individual's world of meaning. However, as put forward by Pope and Keen (37):

"one is not aiming to encapsulate the whole of an individual construct system but only that part of it which is relevant to the defined purpose."

Thus, it is necessary to achieve a balance between eliciting sufficient numbers of constructs and the practical constraints present. Nevertheless, there are some criteria and limitations to consider when eliciting constructs:-

- i) The constructs elicited must cover the range of constructs which the individual feels are important to the area under consideration. Construct elicitation should continue until the individual indicates that his repertoire of constructs for that particular range of events is exhausted.
- ii) The elicitation of constructs can be exhausting both for the person completing the grid and the person

carrying out the grid interview. Thus, the researcher should be careful not to stretch beyond the limits of exhaustion. Otherwise, the constructs obtained may be unreliable and inaccurate.

- iii) In many circumstances there may be time limit constraints on behalf of either the individual or the person conducting the grid interview which may well impose a limitation on the number of constructs which are elicited at any one session.
- iv) It is necessary to consider the limitations of computer software used for the analysis, such as the number of constructs and elements.

e) Rating of elements of each construct

The original approach adopted by Kelly is to use a dichotomous form of grid whereby respondents were asked to place ticks or crosses across elements for each construct. But, this method does not permit finer discrimination between elements or constructs. Furthermore, as noted by Bannister (39), dichotomous grid may produce spurious relationships, possibly due to lopsidedness (too many ticks and few crosses or vice versa) on a particular construct.

In recent years two popular forms of grid have emerged. These are rating (36) and ranking (40) grids. Generally, in practice it is less tedious for the respondents to rate elements than ranking them, especially when there is a large number of elements. Thus, rating of elements is commonly used whereby the respondent is free to assign rating along a linear scale from the emergent pole to the implicit pole of each

construct. A 5-point or 7-point scale is usually employed which provides much finer discriminations between elements and constructs.

f) Analysis of grid

Once the grid is fully completed, the element by construct matrix is then analysed for its underlying structure. As noted by Teo (35) there are five principal methods of analysing the full grid data as follows:-

- i) **Frequency counts analysis** - This analysis simply counts the number of times a particular construct or element occurs from all the respondents. It is commonly used to identify general trends among groups of people. This analysis is frequently employed when the elements are discrete and well defined and have consistent meanings to the subjects.
- ii) **Content analysis** - In content analysis, all elements or constructs are grouped into different categories with respect to their similarity in content. A frequency analysis is then performed to determine the distribution of various elements or constructs in these categories. A simple Chi-square test may be conducted to compare the relative distributions of categories across two or more groups of respondents.

iii) **Visual focusing** - This technique is normally used on a raw grid with ticks and crosses rather than on a rated grid. In a ticks and crosses grid, it compares the degree of agreement of each construct across the elements and produces a matrix of agreement scores for all possible pairs of elements. Similarly, it is also possible to compare the degree of agreement of various elements over different constructs.

iv) **Cluster analysis** - The clustering technique (41) attempts to group or cluster similar elements or constructs so as to exhibit certain patterns of the original grid data. Several computer packages such as Pegasus and Focus developed by Shaw and Thomas (41) are available for performing cluster analysis. These programmes usually produce a linear re-ordering of elements or constructs to highlight similarities in the way in which they are construed. A typical computer printout may consist of the following information:-

- (a) The original raw grid.
- (b) A matching score matrix of the relationships between all pairs of elements.
- (c) A matching score matrix of the relationships between all pairs of constructs (with ratings reversed as well as originally rated).
- (d) A statement as to which constructs (if any) should be reversed.

(e) A re-ordered grid with tree diagrams attached showing the patterns of relationships in the data.

v) Principal Component analysis (Factor analysis) -

This method of grid analysis (42) is based upon two matrices of similarity measures - an element matrix which includes the measure of similarity of every element with every other element, and the construct matrix which shows the measure of similarity of all pairs of constructs. These measures of similarity are viewed as distances in space or dimensions. This analysis extracts the major dimensions which then describes each of the elements or constructs to these dimensions.

The Principal Component analysis is a statistical technique commonly used to identify a relatively small number of factors that can be used to represent the relationships among sets of many interrelated variables. It is a data reduction technique for identifying a set of independent factors in data. The basic assumption of this technique is that there exist underlying dimensions or factors that can be used to explain the complex relationships of certain variables such as the intelligence, creativity or risk perception of people. Factor analysis is usually performed in four logical steps as follows:-

- (a) The computation of a correlation matrix of all variables to determine the association among various variables.
- (b) The second step involves factor extraction where a number of factors (dimensions) necessary to represent the data is determined.
- (c) The third step, rotation, focuses on transforming the factors to make them more interpretable.
- (d) Lastly, a score for each factor is computed for each case.

There are also computer programmes such as Griddle (38) and Ingrid (42) for analysing the intraclass relationships between elements and constructs of the Repertory Grid. The main output of these programmes provides the following information:

- i) Listing of raw grid data.
- ii) Table of construct statistics and construct correlation matrix.
- iii) Table of element statistics and element correlation matrix.
- iv) Table of principal components
- v) Graphical output of elements and constructs on major dimensions.

g. Feedback to respondent

When the full grid is completely analysed and certain

patterns or relationships between elements and constructs are established, this information can be fed back to the respondents. This feedback may serve as a confirmation process for these relationships or any associations found. Further constructs or elements may also be elicited using laddering to investigate more specific constructs of the respondents.

5.2.3 Research Strategy Adopted

Although a range of data collection methods were considered, the methods actually used were 1) Questionnaire Survey and 2) Repertory Grid Interviews. The reason for the adoption of these data collection techniques and the sequence in which this investigation has been undertaken are as follows:

A) The Questionnaire Survey.

The questionnaire had three purposes.

- a) To be useful in its own right to give statistical information on the owner-managers and the small building firms within the Central Belt of Scotland.

The type of information are:

- i) The background information about the firms and the owner-managers.
- ii) The respondents perception of needs and interests in education and training.

- iii) The rank order of needs for 26 educational topics.
 - iv) The scheduling preferences for instruction.
 - v) The demographic information which will be used to identify similarities and differences between groups in the analysis of the study.
- b) To enable this researcher to identify, from the profile given, those owner-managers he might wish to follow-up with a visit.
 - c) To enable the owner-manager to specifically indicate that he would be prepared to answer further questions and allow this researcher to make a personal visit.

For the purpose of this study, the mailed survey method was adopted. This method has the following advantages:

- a) The mailed questionnaire survey is cheaper than other methods of Survey research -
- b) A widely spread sample is possible with mailed questionnaire survey. It is thus of special value for scattered populations, such as the population of this study.
- c) Mailed questionnaire avoids the problem associated with the use of interviews i.e., interviewer errors or interviewer bias which may seriously undermine the reliability and validity of survey results.
- d) Mailed questionnaires are suitable with questions demanding a considered rather than an immediate answer, in particular, if the answer requires

consultation of documents. As in the case of this research, some of the questions required such answers. Thus, it would be both preferable and more accurate to use a questionnaire that can be filled in by the respondent in his own time.

However, the use of mail survey as a method of data collection has been severely criticised by a number of researchers (43) (44) (45). The method suffers from several major disadvantages such as poor response rates, response bias, the general nature of questions and the inability, on the part of the research, to verify information provided. Nevertheless, several researchers suggested that these deficiencies could be overcome by using a variety of techniques. Techniques such as preliminary notification (46) (47) (48) (49) and follow-up (49) (50) could have a significant effect on improving the response rates. Other techniques such as Questionnaire Length, Survey Sponsorship, Return Envelopes, Personalisation, Cover Letter and Anonymity have also been used, but have produced less consistent results.

Therefore, to ensure a good response, the following techniques have been followed by this researcher:

- a) Preliminary notification - this was conducted by short telephone calls to the owner-managers or his/her representative prior to sending questionnaire.
- b) The survey questionnaire was divided into five main sections.

- c) Response to all questions, except one, were in a multiple choice format which only needed either a tick or circle, to achieve simplicity and facilitate completion.
- d) A covering letter stating the purpose of the research was enclosed.
- e) Personalisation of cover letter by addressing the questionnaire to the owner-manager of each firm.
- f) A stamped, addressed return envelope was enclosed.
- g) Two follow-up procedures were performed after mailing the main questionnaire survey, the first by telephone and the second by mail.

(1) Design and Structure of the Questionnaire.

In designing the survey questionnaire, several guidelines proposed by various writers such as Moser & Kalton (51), Lewis and Fox (52), and Sinclair (53) were followed. According to Sinclair (53), there are five main issues to be considered. These are as follows:

- a) Definition of objectives and resources.
- b) Coverage.
- c) Sampling Method.
- d) Probability of non-response.
- e) Questionnaire wording.

In addition to the above considerations, another important point to consider was questionnaire length. According to Moser & Kalton (51), the temptation is always to

cover too much - to ask everything that might turn out to be interesting. This was true indeed. Literally there were dozens and dozens of questions that this researcher would like to ask the small business owner/manager in this piece of research. In fact, the original questionnaire was 20 pages long so as to get all the information required.

Research evidence on the effect of questionnaire length on response rate have been mixed. Clausen and Ford (54), Scott (55), Berdie (56), Kanuk and Berenson (57) indicated no correlation between length of questionnaire and lack of response. However, the position that length is not critical has less support when considering industrial/business populations (58). Jobber (58) pointed out that business managers, especially those in small firms, work under rigid time constraint. Thus, he suggested, any attempt to distract these managers away from their business will be viewed as an intrusion on their time and will be resented. Yet others (59) indicated that the single most important factor in assuring high response rates is whether or not surveys are judged to be current and important to the respondents. This was supported by Forsgren (60) who indicated that response rates depended on the respondent's interest in the subject. If the content of the questionnaire is viewed to be important and the respondent knowledgeable, a high response rate can be attained.

As in the case of this study, the subject of investigation that is education and training needs, certainly is a very important issue and it is perceived that the respondent owner/manager are able to provide the information needed. However, taking into consideration the suggestions

from both sides, a compromise was made between getting as much information one could get from the questionnaire and ensuring that it will be returned. In the final analysis, it was decided that a mail questionnaire which could be completed in not more than thirty minutes would be appropriate and would have provided sufficient information for the survey.

(2) Preliminary questionnaire design

At the outset, a number of questionnaires which had been used for similar studies were used as reference (19) (61) (62) (63). Based on these questionnaires and with addition of a number of original questions which attempted to obtain the data required for the study outlined in Chapter One, a questionnaire was drafted. The draft form was then presented to colleagues, the author's supervisors and a number of academic staff in Heriot-Watt University to invite comments and suggestions. As a result, a series of discussions were held separately with each of the persons mentioned. These discussions proved to be very useful. Several comments and suggestions were received. The draft was then refined and a more comprehensive "measuring instrument" was finally developed.

(3) Pilot Assessment of Questionnaire

Prior to the main study, the completed questionnaire was tested on a small sample of owner/manager of small building

firms. The questionnaire was sent to a small sample of 10 owner-managers of small building firms in Edinburgh. After two follow-ups, a response rate of 50 percent was obtained.

The pretest highlighted some deficiencies and ambiguities in the draft questionnaire, and some constructive and helpful criticism were received. Some of the questions were said to be difficult for the owner-manager to understand and it was suggested that the questions be amended. As for the appropriateness concerning style and type of questions asked, several questions were said to pose problems for the owner-manager. Additionally, a number of questions were viewed as ego-threatening and would elicit defensive responses from the respondents. It was then determined that the required data could be obtained by rewording such questions.

The questionnaire was also tested for time it will take to complete them. From the pilot study, it was found that it would require approximately 25 to 30 minutes to complete. This was considered acceptable.

The questionnaire was then restructured. With some additions and eliminations of questions that are important or of lesser importance respectively, together with a good deal of format and order changes which took account specifically of logical progression, a 29 question revised form was finalised.

(4) Questionnaire Content.

The final version of the questionnaire used in this study is appended (see Appendix A). The questionnaire had been designed to ensure the minimum of time and effort on the part

of the respondent. It comprises 29 major questions which were divided into 5 main parts. The description of each part is as follows:

a) Background Information:

The first part of the instrument requested information about the background of the firm and its owner-manager.

b) Company Management and Performance:

This part of the questionnaire was aimed at collecting information about the structure, organisation, operation and performance of the firm. The information obtained will help establish the profile of the firm, the extent of growth and current performance of the business.

c) Past Training and Experience:

This part of the questionnaire requested information about the past experience of the respondent Owner-managers. The information provided was to help determine the past business experience of Owner-Managers and the extent of their involvement in management training.

d) Business Development Needs:

This part was intended for collecting information regarding management training and development needs of the owner/manager. It consists of 7 questions.

The first question in Part 4 is an open ended question requesting the owner-manager to indicate any problems or barriers which have affected development of

their business. The aim is to enable the managers to highlight problems which are of particular concern to them i.e areas where training is potentially needed.

The second question which requested information about training needs of the firm was divided into 4 sections. A list of 26 activities /tasks of business managers were provided. These tasks were divided into 4 functional categories namely Production, Marketing and Sales, Accounting and Financial Management, and General Management. In the first section the respondent Owner-Manager was asked to indicate the degree of importance of each task to the business. Next he/she was asked to indicate the degree of difficulty that they had in handling the task. In the third section the owner/manager was asked to indicate the degree of need that their business have for further improvement in that task. In section 4, he/she was asked to indicate the degree of interests they have to participate in a training course on that particular topic if a suitable programme is available. The aim of this question is to obtain a rating of training topics perceived important for owner-managers of small building firms.

The priori list of topics for the questionnaire was derived from three basic sources. The first source is listing of courses currently offered for contracting companies. These training courses include those provided by the Building Advisory Services (B.A.S), Chartered Institute Of Building (C.I.O.B) and the Construction Industry Training Board (C.I.T.B). The second source is from results of surveys carried out by the C.I.O.B. (19)

and Construction Industry Training Board (20). The third is from review of literature and related texts on the subject. An attempt was made to obtain a list of courses from other sources (Academics, Contractor's Association, etc) but the idea was abandoned due to the reason that it might cause contamination of course topics due to differing perspectives of different groups. Originally the list contained 40 topics, but after revision on the pilot sample, a final list of 26 topics was obtained by combining several closely related topics. It was considered by this researcher that this would elicit a more accurate response from respondents. However, as an attempt to reduce instrumentation error, in cases where important topics are not listed, a space for "other" topics was provided.

The next question was aimed at identifying the interests of the owner-managers in attending education and training courses in the future. The owner-managers were asked to indicate how likely they are to attend courses in the future if a suitable programme is offered to them. The response to this question was an important indicator of owner-managers interest in training. Next, the owner-managers were asked to indicate their preference for method of instruction. This was followed by question 5 of part 4 which was intended to provide information which would determine the small business Owner-Manager's preference for delivery of any desired education services. Various options for training format were organised into a grid and the respondent was asked to respond once to each item by indicating whether it was

unacceptable, acceptable, and preferred. The format for this question also follows that of Nelson (62).

The next question requested information about factors considered in training course selection. 7 criteria were listed and the owner-managers were asked to rank these criteria in terms of its importance when selecting a training programme (1 most important to 7 least important). The final question in Part 4 seeks information about the owner-managers' perception of the value of education and training. Five statements intended to measure perception of respondents towards education and training were provided and the owner-managers were asked to indicate the degree to which they agreed or disagreed with each of the statement.

e) Personal Information:

The final part of the questionnaire (Part 5) was to collect demographic information on the respondent. The respondent Owner-Managers were asked to indicate their age, sex and the highest qualification attained. This demographic information provided was to help identify sub-groups represented in the study.

B) The Repertory Grid Technique

The Repertory Grid Interview was utilised to identify two issues of concern 1) the factors which influence and shape the owner-managers perception of needs and interests in education

and training, and 2) the areas of interest for future training. The main benefit of this technique may be summarised as follows:

- a) It allows this researcher to identify important training topics indicated by the owner-managers and compare these with their 'perceived needs' obtained from the survey questionnaire.
- b) The absence of observer bias - the owner-managers give their own frame of reference. This technique allowed this researcher to obtain a mental map of how the owner-managers view training as opposed to other sources of information/learning, and to write this map with a minimum of observer bias.
- c) Reducing the view of experts - the constructs or maps obtained are not interpreted by experts but discussed with the owner-managers, thus the degree to which data is treated to interpretations is reduced.
- d) It allows the owner-managers to make explicit what is implicit in their thinking processes - how they perceive education and training as a source of information/learning.
- e) It allowed this researcher to identify the major type of dimensions held by owner-managers in their perception of education and training, and in what way these constructs are related to each other.
- f) The technique facilitates the comparison of the perceptions held by different group of managers. It measures the degree of agreement or disagreement

among managers in their respective views of education and training.

- g) It provides a flexible approach and accurate measurement of subtle perceptions and is easily adaptable.
- h) It has the ability to measure any appropriate dimension of personality which may exist. The advantage of this technique is that the dimensions are not pre-determined (as in the case of personality tests) but will emerge through the process.

Prior to interviewing the owner-managers, a series of 3 pilot studies were conducted by this researcher in order to gain some experience in the 'mechanics' of the Repertory Grid technique.

In the first trial, the technique was tested on 3 Post-graduate students in the Department of Building, Heriot-Watt University. This initial test was essential as it allowed this researcher to gain a practical knowledge of the technique and gain 'confidence' in using it. Next, the instrument was tested on 3 owner-managers of small building firms within the Edinburgh area. This second pilot study not only enable this researcher to determine the precise scope of the investigation and the information required, but to gain more confidence in using the technique. The information provided and comments received were very useful and were used to modify the repertory grid questions. Once the instrument was ready, it was again tested, this time on 3 owner-managers operating within the same area. This pilot study indicated that the

instrument was operational and was able to collect the kind of information required by the study.

The understanding and the piloting of repertory grids was an important part of this thesis. Although, at the beginning, they are quite difficult to use, this research technique and the concept of personal constructs on which they are based proved invaluable.

(1) The Design of the Repertory Grid Questionnaire.

In designing the Repertory Grid Interview questions, a combination of both provided and free response elements and constructs was adopted. In the first Section, a list of 6 pre-determined elements (sources of information/learning) were provided. These elements were obtained from a review of various sources of management information and methods of learning commonly used by small businesses. The idea behind this approach is to invite owner-managers to provide constructs for each of these methods thus allowing the values or perceptions of owner-managers on each method to be compared or contrasted. The main rationale for providing the pre-determined elements is two-fold: firstly, to reduce the burden on the respondent trying to recall the methods or sources they have used and secondly, provisions of selected elements allows this researcher to choose common constructs used by owner-managers in their perception of education and training. This provides a common basis for comparison of perception of education and training among owner-managers.

The second section of the grid questionnaire was aimed at

determining the type of management training (topics) needs of owner-managers of small building firms. In this section, the owner-managers were asked to provide the elements (principal activities or tasks they are involved in). The rationale for this strategy was to enable owner-managers to provide an 'unbiased' list of topics. These were then rated against a list of pre-determined constructs which allowed common management training topics to be identified.

5.3 Identification Of The Population And Selection Of A Sampling Frame

For a long time, researchers interested in small business owners [and the self employed] have recognised that constructing statistically representative samples has been a seemingly near insoluble problem. The most formidable barrier to generating such samples was the lack of suitable sampling frames. The difficulty in securing a suitable sampling frame was discussed at length by Curran, Burrows and Evandrou (64). They pointed out that:

"...obtaining accurate, nationally representative information on Britain's small enterprise population ... is extremely difficult".

As yet, there is no nationally accepted sampling frame for small business research in Britain in any strict sense. Even approximations to sampling frames are extremely rare or very small scale. However, without such frames no quantitative analysis can claim statistical adequacy since the minimum

prerequisites for constructing a random sample cannot be met. The problem is even more acute where, as in the present case, the population under study is known to be highly heterogenous so that samples have an even higher risk of being unrepresentative. In this respect, Curran, Burrows and Evandrou (64) commented:

"It is not simply that researchers can very roughly approximate to the above criteria but that they fall abysmally short of meeting them in practice."

In practice, they suggested, small business researchers tend to adapt to less satisfactory strategies in relation to constructing samples where the aim is an analysis which can claim to be generalisable to a wider population of small enterprise owners. The crudest technique is to use a 'snowballing' or 'purposive' procedure to achieve a sample of the desired size. One of the slightly more acceptable base for the construction of such samples are those taken from sub-groups within the small business owner population. The problem here is that the findings can only be suggestive, at best, in relation to any large population. Indeed, strictly, the findings may only be claimed as representative of small business owners in a similar situation or of similar type. The same can also be said to be broadly applicable for samples where the sampling frame has to be constructed by the researchers through the use of a variety of other data sources. For instance trade directories, trade association lists, telephone directories, local authority lists and street searches (or a combination of these) have all been used to generate samples. However, not only are such sampling frames

expensive to construct, they may also date quickly because small enterprises are very far from a static population.

They also reported that some attempts have been made at large scale surveys (Thomson Directories, 1984; Gallagher & Stewart, 1984; Stewart & Gallagher, 1985) but their sampling bases have been usually questionable. They suggested that the most satisfactory large-scale sampling frames used to date for the study of small firms is VAT Returns. This sampling frame, which was used by Ganguly, provides one of the most complete listings available of entrepreneurs except, of course, that small enterprises whose turnover is less than the registration threshold (currently £20,500) need not register. However, small enterprises with high labour content and low overheads, common in some industries such as (and in particular) construction , will have little incentive to register. Further, exemptions from VAT are also very substantial in the general services sectors of the economy where small enterprises are common. This, therefore, may well mean that many small enterprises are not included.

5.3.1 Selection of a sampling frame.

Given the backdrop to the availability of a suitable sampling frame, it is inevitable that this researcher had to follow the examples set by the predecessors i.e. to resort to the 'less satisfactory' alternative. The strategy used was to identify a sub-group within the small business owner-manager population, in this case the small building firms within the Central Belt of Scotland.

The Building firms were chosen for the following reasons:

- a) Familiarity with the Industry; this researcher had a working knowledge of the Industry, thus any difficulty or predicament within that industry would be much easier to appreciate.
- b) Many small builders are likely to be owner-managers, thus it would be easier to capture.
- c) Small businesses are well represented in the building industry.
- d) The Industry has had a high success and failure rate and therefore I was likely to find a difference between the good and the bad.

The Central Belt of Scotland was chosen for 2 main reasons : Firstly, it encompasses the most populated and the most developed area of Scotland. Four major Scottish business districts of Edinburgh, Glasgow, Stirling and Dundee were included in the study area. Many development projects both residential and industrial are evident in these areas. Based on this assumption, it was suggested that the population of the Scottish small building firms will be adequately represented in this study sample.

The second reason is due to the need for a local study. The researcher was not aware of any similar study in Scotland. This study will be the first ever made of this nature in the country. It is hoped that the findings of this study will help all parties concerned to have a clearer understanding of the need and desires of the owner/managers of small building firms in the area.

Finally, it will be seen that the needs and interests of construction companies in the Central Belt of Scotland may with great caution be generalisable to construction companies in other parts of Scotland specifically or the United Kingdom in general because the construction industry is, in many ways, a very closely knit industry.

5.3.2 Population of the Study

In an effort to obtain a suitable list of Builders in the study area, several attempts were made. Firstly, the Office of the Registrar of Companies was contacted. Unfortunately, it was found that the Office only keeps a register of publicly listed companies. This was unacceptable since unlisted concerns, a majority of whom are made up of small firms, will not be included in their list. The second attempt was to get the list of building companies from the CITB, but regrettably the required information cannot be released due to reasons of confidentiality. The next attempt was to get the list from the Scottish Building Employers Federation and the local chapter of the Federation of Master Builders, but these too proved futile since membership of the two associations were largely made-up of larger companies.

Another alternative that was open to this researcher was to obtain the list from business and telephone directories. An initial check indicated that the directories contained a large number of building companies, thus it was deemed suitable since an adequate sample in the study area would be assured. Additionally, each of the companies were listed under the name

of the firms, giving details of the address and telephone numbers, making it fairly easy for this researcher to make contact with the study sample. Subsequently, it was decided that these directories, published for the current year, be used as a sampling frame.

5.3.3 Arriving At A Sample

To accomplish the task of obtaining the sampling frame, 5 directories which covered the area of study were collected. Once the directories, which contained a total of 2385 building companies had been collected, the first step undertaken was to check the entries. The names of the companies listed in each of the 5 directories were cross-checked with each other and the names which appeared in more than one directory were noted and deleted as necessary. The aim of this process was to avoid duplication i.e. to ensure that the company is represented only once. On completion of the task a total of 1857 contracting companies were obtained.

The next step undertaken was to screen the list for larger companies. The names of an obviously larger companies were struck off the list so that the final list contained only small companies. My supervisor helped in determining which were the big and which were the small companies from his experience. However, this process was not flawless. Telephone contacts made at a later stage revealed that some larger companies were also included in the list. Nevertheless the number is very small. Once the screening process was completed, a total of 1788 names was left in the list. The

final product was a directory of 1788 small building firms operating within the Central Belt of Scotland that could be described as the sampling frame wherewith there is a possibility that the owner-managers might be contacted.

Once the population of small companies was prepared, the size of the sample for the study was decided. At first sending questionnaires to all of the 1788 companies in the list was considered, but due to financial constraints, it was decided that this was not practicable. A convenient number of 200 firms which represented slightly more than 11 percent of the total population of the small companies were chosen.

The selection procedure that was chosen was to screen the list and then pick a company name at random. Once chosen, an initial telephone contact was made. This procedure was repeated until the total number of firms (200) was reached. This initial contact serves two purposes:

- a) To be better able to target companies that met my profile.
- b) To acquire information about the owner-manager (the name of owner-manager) and the firm (correspondence address of the firm) so that the questionnaire could be personally addressed to the right person and the right address.

Research evidence has shown that pre-contact is effective in increasing response rates with household populations (65) (66) (67) (68). Its use in industrial surveys, however, is less convincing. There is a limited number of studies which suggest that this technique may even reduce response rates

(69) (70). For the purpose of this study, however, it was believed that the disadvantage of pre-contact was offset by the advantage. The pre-contact was essential to enable the survey instruments to be targeted only to firms which met the criteria of the study. As a result of this pre-contact, a more homogenous sample was obtained for the study.

In order to reduce the setback of pre-contact the strategy used was to make only very brief contact. At the time of the initial contact, the researcher introduced himself to the person who took the call. He/she was then asked to provide information about the following:

- a) What is the type of work done by the company?
- b) What is the total number of direct employees of the company?

It was believed that the person who took the call would be able to answer this very general question without reference to any other person. The strategy adopted proved to be very successful. In most cases the person who took the call was able to provide answers to the questions posed. Only in a number of cases, he/she was unable to provide the answer while in other cases they were unwilling to provide the information due to strict company policy (on providing company information over the phone). In such cases the call was referred either to the Manager himself or other senior staff which was available at the time of the contact.

If the company did not meet the criteria (in terms of type of work: Building, and the number of employees: 25 employees or less) no more questions were asked and the name

of the company was struck off the register and a replacement was selected from the list. If the company met the criteria, the person who took the call was then asked if he/she would object if a questionnaire was sent to the Principal of the firm. If the answer is positive, the name of the principal of the company and the correspondence address of the firm is requested.

The strategy adopted has proved to be very rewarding. Only in two cases were a negative answer received. In the first case the reason given was that the manager was away on a holiday and would not be able to take part in the survey. In the second case it was revealed that the owner died recently and as such the operation of the company was suspended. In these two cases, again, replacement were obtained.

Although every care had been taken to ensure that the sample was representative of the population selected, there is no intention here to make any claim to that effect. Until a more acceptable sampling frame comes into being, such a claim could be highly questionable. Nevertheless, the sample chosen met the requirements of the study and, it is hoped, the findings of this study will, in the manner interpreted, be indicative of the educational needs and interests of the population sampled.

5.3.4 Administration Of The Survey

Within one week after making the initial contact, a questionnaire together with a letter of introduction from the Department and a stamped addressed envelope was sent to the

companies contained in the final list of 200 firms. All the questionnaires and accompanying documents, which were addressed to the owner/manager or principal of the firms, were mailed by the end of the 2nd week of June, 1990. A sample of the questionnaire and the covering letter are given in Appendix A.

During the first week after mailing, 18 responses were received. This was followed by 6 and 4 responses in week 2 and 3 respectively. A follow-up was made to non-respondent companies in the 3rd week. The timing of the follow-up follows that of William and Weschler (71) who suggested a cut off point of 17 days after the initial mailing. This first follow-up was a short telephone call which served to remind the owner-managers of the questionnaire and to request for their response. 13 respondents indicated that they did not receive the questionnaire and requested another copy, which was subsequently sent on the same day. 21 of the companies called said that the questionnaire was received but the principal was on holiday or just returned from holiday. However, all promised to 'look into the matter' as soon as time permitted. During week 4, 5 and 6 after the original mailing, 6, 8 and 5 responses respectively were received.

In week 7 another follow up was made to non-respondents. This second follow-up which was a memo, again requesting their response, was attached to the original covering letter and a questionnaire. This procedure follows the suggestion by Futtrell and Lamb (72) who indicated that at least one follow-up with a questionnaire was required. A copy of the follow-up letter can be found in Appendix B.

By the end of the 10th. week after original mailing, a

total of 74 (37%) questionnaires were returned. Of these, only 54 (26.5%) were usable. Of the remaining 20, 11 were blank, 5 were unusable, and 3 incomplete. In addition to these questionnaire returns, three letters and two memos were also received from the companies explaining reasons for not responding. Among the reasons given were: death of director (1), suspended trading (2), change of location of business (1), and internal business problems (1).

In a further effort to increase response rates, some companies were again contacted by telephone. The owner-managers were told how important their participation was to the success of the study and were persuaded to respond to the questionnaires. As a result, some positive responses were received from the owner-managers. Subsequently, by the end of September 1990, 4 more responses were received bringing the total number of useable responses to 58 (29 %).

In the end, although the total number of responses for this study was small (58), the percentage of useable returns (29%) was considered acceptable, given the widely reported 'lack of interest' held by small businesses in participation in surveys. The percentage of return obtained for this study was higher than that secured by similar studies such as the CBI (13)-13.4 percent, Bailey and Royston (4)-13.1 percent, CITB (73)-14.5 percent and CITB (74)-4 percent.

5.3.5 Selection Of Sub-Sample For The Follow-Up Studies

Based upon the feedback from the main questionnaire, 28 owner-managers agreed to be interviewed by this researcher. However, a final sub-sample of only 20 owner-managers was selected for the follow-up study. This final sub-sample was divided into two groups i.e. those who are "Interested" in training and those who are "Not-Interested" in training. The basis for this grouping was the response to question 22 of the mailed questionnaire. Owner-managers who responded to the question with a score of 1 or 2 on the 5 point scale were placed in the "Interested group" while those who responded with a score of 3, 4 or 5 were placed in the "Not-Interested" group. Linking "Indifferent" (score 3) with "Not Interested" (score 4 or 5) ensured that an equal number of owner-managers were selected for each group (which is not unreasonable in this context).

5.3.6 Administration Of The Repertory Grid Interview

For the purpose of the Repertory Grid interview, the sub-sample was divided into 2 groups. The objective of this split sample was to permit some analysis to take place on the first group and allow lessons learned to be incorporated into the second. As Section 5.4 will show, this strategy has proved to be very rewarding.

The first group which consisted of 10 Owner-Managers (which comprised of both the Interested and the Not-Interested

owner-managers) was interviewed during the months of October - November of 1990. Appointments were made with each individual respondent prior to the interview. Before commencing the interview, a brief introduction of the purpose of the study was given. This approach is important to acquaint the interviewees with the context of the study.

The first part of the interview elicited answers on the sources of information/learning. The purpose of the grid was to have the individual provide constructs (the values or perceptions of the interviewees) on five sources of information/learning (elements). In most of the interviews, a 'triadic' method of construct elicitation was utilised (refer Section 5.2.2). In a number of cases, the 'dyadic' method seemed to be more appropriate. In this latter method, only two elements (instead of three as in the triadic method) were presented to the interviewees so that they were able to discriminate between the differences or likenesses of them more easily. The procedure was repeated until all the elements had been presented.

Once elicited, the constructs obtained were then written down on a pre-printed form and the interviewees were asked to rate these constructs on a 5-point scale. Where appropriate, more specific questions were asked (laddering) to elicit more specific constructs.

The second part of the interview asked the individual respondents to provide a list of activities/skills that they used in their job situation. The respondents could provide as many activities/skills (elements) as they thought necessary. Once the complete list of elements was obtained, the rating and laddering process followed. Here, the list of elicited

activities/skills (elements) were rated, on a 5-point scale, in terms of 8 pre-determined constructs. The list of constructs is provided in Appendix E.

The third part of the interview sought the general views of the owner-managers on the reasons for the low uptake of training and how the problem could be corrected. The inclusion of this section in the research instrument was very rewarding. As we shall see in Chapter 7, the additional commentaries furnished by the owner-managers has provided further information on the values and perceptions of the owner-managers on the issue of education and training.

The execution of the grid interviews went very smoothly.

All the owner-managers selected for interview were interviewed by the end of March 1991. The running order for operation of the interviews was always the same. An example of the questions are included in Appendix C.

5.4 Development Of The Project

As indicated earlier in Section 5.2, the data collection strategy adopted was to use the Mailed Questionnaire Survey and Repertory Grid Technique (33) to identify factors which affect owner-managers' perceptions of interest in, and appreciation of education and training. The study progressed smoothly; the questionnaire survey was completed at the end of September 1990. Within the same month, arrangements were made with the selected owner-managers to conduct the Repertory Grid Interviews. The Interviews with the first group of 10 owner-managers was carried out in the following month. However,

after completing the Repertory Grid Interviews with the first group of owner-managers it was discovered that personality and environmental factors both played an important part in shaping owner-managers' perception of education and training. Although the Repertory Grid Technique has the capability of identifying and providing the measures required, it was felt that this study could gain some added advantage if the instruments used could produce a more deterministic measure of both these factors, so that the results of this study could be compared with those of other studies.

After discussion with the researcher's Supervisors it was decided that the Personal Projects Technique (75) be used to supplement the existing method of data collection. It was considered that this research instrument which is interactional in nature, similar to and is designed based on the Repertory Grid Technique, could provide the appropriate unit of analysis required. The Personal Project technique was chosen for the following reasons:

- a) The method placed actions (e.g. use of education and training) in a realistic action-based context of the managers day-to-day activities.
- b) The method enabled conflicts between the activities and their priorities to be investigated.

In it's original form the Personal Project technique was administered in a face to face mode. However, due to the limitations of time on the part of the owner-managers, a specially designed self administered Personal Project questionnaire was used for the purpose of this study.

The questionnaire, together with a stamped return envelope, was mailed to each one of the ten managers in the first group while for the second group it was left with the owner-managers at the end of each interview. A sample of the Personal Project Questionnaire was given in Appendix D.

5.5 Decision On Analysis of Data

The analysis of data, which was designed to fulfill the stated purpose of this study, consists of five sections. These are as follows:

- a. Frequency Analysis of the Questionnaire responses.
- b. Analysis of the questionnaire responses to assess significant relationships between owner-managers interest in education and training and major variables of the study.
- c. Analysis of factors affecting owner-managers interest in education and training based upon the Repertory Grid Interview responses.
- d. Identification of areas of interest for future training based on the Repertory Grid Interview responses.
- e. Analysis of factors affecting owner-managers interest in education and training based upon the Personal Project Questionnaire responses.

For the purpose of analysis, the Statistical Package for Social Sciences (SPSS-X) was used. The SPSS-X was chosen for

the following reasons (76):

- a) It is a well tried and tested statistical package.
- b) It is flexible in data manipulation.
- c) The statistical tests to be used in the analysis were all provided in the package.
- d) The package is updated to take account of new developments in statistical analysis.

5.6 Chapter Summary

The choice and strategy for the collection of data for the present study has been discussed. The sample was of the owner-managers of small building firms within the Central Belt of Scotland. Three methods of data collection were utilised. These were: the Mailed Questionnaire Survey; the Repertory Grid Interview and Personal Project Technique.

On the whole, the data collection strategy proved successful. The research instruments used has yielded the kind of information needed for this study. The analysis of the data proceeded using the Statistical Package for the Social Sciences (SPSS-X). The next chapter presents the results of the analysis.

CHAPTER SIX
ANALYSIS OF THE MAIN SURVEY

CHAPTER SIX
Analysis Of The Main Survey

6.1 Introduction

The primary objective of this study is to investigate "What are the current interests of owner-managers in attending education and training courses" and "What are the factors which determine and shape their perceptions of the importance and need for education and training". The secondary objective is to identify "What are the current training needs of the owner-managers" and "What are the attributes of their most preferred training programmes". Data for the study were collected by the use of a combination of Mailed Questionnaire Survey, Repertory Grid Interviews and Personal Project Technique.

This chapter presented the results of the analysis of the responses to the Mailed Questionnaire Survey .

6.2 Frequency Analysis Of The Main Questionnaire Survey

The analysis of the Mailed Questionnaire Survey responses will be performed in two stages. The first stage looks at the various ways of explaining the data using the frequency distribution. A frequency distribution of the responses to each survey questions will be presented and summarised. Raw data were tabulated and converted to percentages for easier comparison. Thus the response rates is given in both absolute and in relative terms. For cases where missing responses were

observed, a "valid" percentage will be calculated. This was done by dividing the number of responses to a particular question by the total number of actual responses for that question (excluding the number of missing observation).

The second stage presents a correlation analysis of the primary factors used to construct the variable 'Interest in' and 'Appreciation of' Management Education and Training. For this purpose a Cross-tabulation Analysis and Chi Square statistics were used to identify important factors which shape and influence owner-managers 'interest in', and 'appreciation of' education and training (hereinafter referred as Interest in Training).

Before examining the tables, one point requires explanation. The practicalities of the sample number meant that the frequencies quoted (and the resultant percentages) are based on small numbers. The reasons for the small sample size have already been outlined. However, one consequence of the small sample size is that the confidence interval on the quoted percentages is large. For example, the standard error of a percentage of 30 based on 25 observations is approximately 9 giving a 95 percent Confidence Interval from 12 to 48. While the quoted percentages represented the best estimate of the responses to the questions, the particular numbers should be treated with caution and the possible variations in the figures should not be overlooked.

a) Age Of The Firms

The first question sought information about the Age of

the Firm. Table 6.2.1 shows the breakdown of Age of the Firm in this study. It was observed that the majority (86%) of the firms sampled had been in business for more than 5 years. This result was surprising. Given the high rate of failures of the small building firms (Chapter Four), it was expected that younger firms (5 years or below) would be highly represented in the study sample. The finding tends to indicate that the majority of firms sampled in this study constitute older establishments which had survived the test of time. On the other hand, it might indicate that the younger firms were not doing well enough in marketing their services, thus their firms were not picked up in this study.

Table 6.2.1: Breakdown Of Age Of The Firms.

Age of the Firm	frequency	cumulative %
Below 5 years	8	13.8
5 to 9 years	16	41.4
10 to 14 years	6	51.7
15 to 20 years	12	72.4
> 20 years	16	100.0

	58	

b) Founder/Non-Founder Status And Business Ownership

As indicated in Table 6.2.2, 59 percent of the respondents were founders of their present business. However, in terms of ownership, 88 percent were owners. Out of this category, over 89 percent owned 50 percent or more of the business and a significant percentage (41%) owned one hundred percent of their business.

Table 6.2.2: Founder/Non-Founder Status And Business Ownership

Founder/Non-Founder status	frequency	cumulative %
Founder	34	58.6
Non-founder	24	41.4
	-----	-----
Total	58	100.0
	-----	-----
Ownership status		
Owner of business	49	87.5
Non-Owner	7	12.5
No response	2	-
	-----	-----
Total	58	100.0
	-----	-----

c) Number Of Employees

The query regarding the number of employees is divided into 2 main sections; the first sought information about the full-time employees and the second sought information about the part-time employees. The results for each section are presented in Table 6.2.3 and Table 6.2.4 respectively.

Table 6.2.3: Breakdown Of The Number Of Full-Time Employees.

Employee Category	frequency	valid %	cumulative %
Managerial/Supervisory:			
1	14	24.1	24.1
2 - 3	27	46.6	70.7
4 - 5	17	28.3	100.0
All other Jobs:			
None	5	8.6	8.6
1 - 5	7	12.1	20.7
6 - 10	15	25.9	46.6
11 - 15	11	18.9	65.5
16 - 20	17	29.3	94.8
Above 21	3	5.2	100.0
	-----	-----	
	58	100.0	
	-----	-----	

Table 6.2.3 showed the spread of the number of full-time employees in the firms represented in this study. It was observed that a higher percentage of responses were located in the middle range of both the "Managerial/Supervisory" category

and the "Other Job" category. The same can also be said with regard to the number of part-time employees (Table 6.2.4).

Table 6.2.4: Breakdown Of The Number Of Part-Time Employees.

Employee Category	frequency	valid %	cumulative %
Managerial/Supervisory:			
None	41	70.7	70.7
1	15	25.9	96.6
2	2	3.4	100.0
All other Jobs:			
None	37	63.8	63.8
1 or 2	17	29.3	93.1
3 or more	4	6.9	100.0
	-----	-----	
	58	100.0	

Overall, the average number of employees in the "Managerial/ Supervisory" and the "Other Job" category are 3 and 13 respectively. This finding tends to indicate that, in terms of the size of the firm, the study sample is well represented.

d) Objective Of Business

The result of the responses on the query about the objectives of the business is presented in Table 6.2.5. Out of the 5 classes of business objective presented, the "provision of financial support" was considered to be very important by most respondents (72%), followed by the "provision of employment" (55%) and to "earn money" (21%). This finding supports the suggestion made by Norris (1984) that small firm owner-managers were more interested in "personal gains" than the overall interest of their firm.

Table 6.2.5: Objectives Of Businesses.

Objective	Response Level					Row Total
	1	2	3	4	5	
Financial support for Family/Self	71.9	15.8	7.0	1.8	3.5	100.0
Employment for Family/Self	55.4	21.4	10.7	10.7	1.8	100.0
Earn money	20.8	24.5	30.2	15.1	9.4	100.0
Grow into a larger Firm	7.1	10.7	28.6	17.9	35.7	100.0
Provide Inheritance for Children	19.6	8.9	32.1	19.6	19.6	100.0

In addition to the five objectives, which were provided in the questionnaire, 3 other objectives was supplied by the owner-managers in the 'Other Objective' category as important to their business. The objectives given includes "personal satisfaction" (5), "to provide employment for others" (3), and "to be best in the local market" (1).

To measure the ranking of importance of the objectives listed a weighted average was calculated for each of the business objective category. This was done by multiplying the number of relevant responses with the response level which ranged from 1 to 5 (i.e. 1 indicating very important and 5 indicating not important), and dividing it with the total number of responses (thus a low mean score indicated higher importance and a high mean score indicated a lower importance). The result of doing this can be seen in Table 6.2.6. As indicated in Table 6.2.6, the objective of "Business Growth" (7%) is of little importance to the owner-managers compared to the other more personal objectives.

Table 6.2.6: Ranking Of Importance Of The Objectives Of The Businesses.

Class of Objective	Average Score	Rank
Financial support for Family/Self	1.49	1
Employment for Family/Self	1.82	2
Earn money	2.68	3
Provide Inheritance for children	3.10	4
Grow into a larger Firm	3.64	5

e) Self Perception Of Success

Question 6 attempted to measure the degree of success of the firm as perceived by the owner-managers. The statement reads "How successful, do you judge, your business has been in terms of achieving those objectives" (listed in the previous question). The response as shown in Table 6.2.7 indicated that all respondents perceived that their businesses are successful at least to some extent. This result is not surprising since small business owner-managers have been described as the "eternal optimists". Despite the possibility that there is some degree of exaggeration in the result, it can be used to provide categories to measure in the analysis.

Table 6.2.7: Respondents Perception Of The Success Of Their Business.

Degree of success	frequency	valid %	cumulative %
Very successful.	4	6.9	6.9
Successful	34	58.6	65.5
Fairly successful	20	34.5	100.0
Not very successful	-	-	-
Not successful	-	-	-
	-----	-----	
	58	100.0	

f) External Assistance:

Table 6.2.8 presented the information given in response to the query on the "Sources of External Assistance" used by the small businesses (Question 7). As shown in the table, 55 percent (26) of the sample population had one main source of external assistance. Out of this Sub-category, Banks and Accountants are the two most frequently stated sources. This

finding tend to imply that the information sought by these owner-managers were more frequently those which are associated with financial matters.

Table 6.2.8: Sources Of External Assistance.

External assistance	Frequency	valid %	cumulative %
No	32	55.2	55.2
Yes	26	44.8	100.0
Main source of Assistance:			
Bank	9	33.3	
Accountant	6	25.9	
Other small businessmen	2	7.4	
Small business Club	1	3.7	
Business Consultant	2	7.4	
Local Polytechnic/College	1	3.7	
Trade Federation	2	7.4	
Professional Institute	3	11.2	
	26	100.0	

Table 6.2.9: Frequency Of Seeking External Assistance.

Frequency seeking help	frequency	valid %	cumulative %
Once	3	11.6	11.6
2 - 3 times	5	19.2	30.8
4 - 5 times	11	42.3	73.1
More than 5 times	7	26.9	100.0
	26	100.0	

Degree of Satisfaction with Assistance Received (n=26)

Satisfaction level	frequency	valid %	cumulative %
High satisfaction	1	5	19.2
	2	14	53.9
	3	7	26.9
	4	-	-
Low satisfaction	5	-	-
	26	100.0	

The frequency with which the respondents in this Sub-category sought external assistance during the last 2 years is shown in table 6.2.9. It was observed that the highest percentage (42%) falls into the "4 -5 times" category. A high percentage (27%) was also noticed on the 'more than 5 times' category. As also shown in Table 6.2.9, the respondents

acknowledged their satisfaction with the assistance they received.

g) Performance Of Business

Question 10 of the questionnaire requested respondent owner-managers to fill in details of the business for three consecutive years (1987 - 1989). The details asked were those of total paid-up capital, number of direct employees and gross annual turnover. The question was an attempt to determine some measurement of success of the business and to look at the trend of development of the businesses.

Table 6.2.10: Performance Of Businesses.

Total capital	1987	1988	1989
Below 10,000	8	8	7
10,000 - 25,000	12	15	15
25,001 - 50,000	8	8	9
50,001 or above	9	9	9
No response	20	18	18
	-----	-----	-----
	57*	58	58
Number of employees.			
5 or below	11	9	8
6 - 10 employees	10	12	9
11 - 20 employees	19	18	18
More than 21 employees	8	12	17
No response	9	7	6
	-----	-----	-----
	57*	58	58
Gross Annual Turnover			
Below £100,000	7	5	1
£100,001 - 250,000	11	10	6
£250,001 - 500,000	6	9	14
£500,001 - 750,000	11	8	6
£750,001 - 1,000,000	6	2	11
Above £1,000,000	3	4	9
No response	13	10	11
	-----	-----	-----
	57*	58	58

* 1 firm was established in 1988 thus the number of firm in 1987 is 57.

We can suspect that many of the respondents may have

overstated their 'success' by 1 or maybe 2 or 3 categories. Thus the specific answer may not be precise. Getting any sort of precise and "straight forward" answer from a small business owner-manager is almost impossible (1). Recognising this, it was expected that the spread of response and trend would be used to analyse the data, and that actual figures or percentages would not have a lot of meaning. It was for the same reason that the information about "profit" (which was included in the pilot questionnaire) was excluded from the final questionnaire. The actual responses to the question was shown in Table 6.2.10.

h) Satisfaction With Present Performance

The next question (11) was designed to measure the degree of satisfaction that the owner-managers felt about the past and current performance of the business. In general, the responses as shown in Table 6.2.11 indicated that the owner-managers were satisfied with the performance of their businesses.

Table 6.2.11: Degree Of Satisfaction With Present Performance.

Degree of satisfaction	frequency	valid %	cumulative %
Very satisfied	4	6.9	7.1
Satisfied	25	44.6	51.8
Fairly satisfied	22	39.3	91.1
Not very satisfied	5	8.9	100.0
Not satisfied	-	-	-
No response	2	-	-
	-----	-----	
	58	100.0	

i) Position In Industry

The optimism of the owner-managers with regard to the success of their firms again showed up in their responses to question 12, where they were asked to indicate how their firms would be rated, in terms of success, by owner-managers of other small building firms. As shown in Table 6.2.12, 58 percent of the respondents evaluated their firms as being successful or very successful.

Table 6.2.12: Relative Position Of Firm In Industry.

Response level	frequency	valid %	cumulative %
Most successful	3	5.4	5.4
Successful	29	52.7	58.1
Fairly successful	21	38.2	96.3
Least successful	2	3.7	100.0
Unsuccessful	-	-	-
No response	3	-	-
	-----	-----	
	58	100.0	

j) Past Experience And Attendance In Training

Perhaps part of the reason for the small business owner-managers showing optimism in the previous questions was the fact that they have been involved in the business for a long period of time. As shown in Table 6.2.13, the majority of the

Table 6.2.13: Number Of Years Of Experience In Any Businesses.

Number of year	frequency	valid %	cumulative %
Below 5 years	None	-	-
5 - 10 years	15	26.8	26.8
11 - 15 years	4	7.1	33.9
16 - 20 years	11	19.6	53.5
More than 20 years	26	46.5	100.0
No response	2	-	-
	-----	-----	
	58	100.0	

respondents (76%) had 'more than 10 years' experience in the business, the highest category (46%) had 20 years or more.

Further support can be seen in Table 6.2.14. More than 60 percent of the respondents have been the owner-manager of the present business for more than 5 years. The second largest was from the '4 - 5 years' with almost 27 percent of the respondents identifying themselves within the category. Overall, more than 98 percent of the respondents have been the owner-managers of the present business for 2 years or more.

Table 6.2.14: Number Of Years As Owner-Manager Of Present Business.

Number of years	frequency	valid %	cumulative %
1 year	1	1.8	1.8
2 - 3 years	6	10.7	12.5
4 - 5 years	15	26.8	39.3
More than 5 years	34	60.7	100.0
No response	2	-	-
	58	100.0	

To determine the extent of the managerial experience of the respondents, they were asked to indicate the number of previous businesses that they had managed. The results, as shown in Table 6.2.15, indicated that more than 55 percent have been manager in at least one company before joining or establishing the present business.

Table 6.2.15: Number Of Previous Businesses Managed.

No. of business managed	frequency	valid %	cumulative %
None	25	44.6	44.6
1 company	21	37.5	82.1
2 companies	7	12.5	94.6
3 companies	-	-	94.6
4 or more companies	3	5.4	100.0
No response	2	-	-
	58	100.0	

Next, the owner-managers were asked whether they had experienced failure in their previous businesses. The aim was to identify those who had failed for sub-grouping in the analysis. The responses to this query, as shown in Table 6.2.16, showed that 10 percent of the owner-managers had experienced business failure.

Table 6.2.16: Experience Of Failure In Previous Businesses.

	frequency	valid %	cumulative %
Yes	6	10.5	10.5
No	51	89.5	100.0
No response	1	-	-
	-----	-----	
	58	100.0	

Question 17 was designed to determine how extensive the respondents' educational experience had been. The question reads "Since becoming an owner-manager, have you taken any training to help you manage the business better?". It was observed in Table 6.2.17 that a larger segment (63%) of the sample population never had any training experience. This finding provided some evidence of the lack of interest in training held by the small business population mentioned in the literature.

A follow-up question, directed at this sub-group was asked next to determine the reason why no training was taken. The aim was to identify common factors which have kept the small business owner-managers away from attending training. For this purpose, 9 most common reasons for not taking training found in the literature was included in the questionnaire together with an "other reason" option. The response to this query is also shown in Table 6.2.17.

Table 6.2.17: Past Experience Of Training.

Attendance in training	frequency	valid %	cumulative %
Yes	21	36.8	36.8
No	36	63.2	100.0
No response	1	-	-
	-----	-----	
	58	100.0	

Reasons For Not Attending Training (n=36)	frequency
Cannot be away from business	19
Not needed	14
Not at convenient time	10
Unaware of any useful courses	8
Expenses involved not justified	6
Fees too high	5
No suitable local courses	4
Too far to go to courses	4
Other reasons	2

It was observed from the table that the most frequent reason was "cannot be away from business". This reason was selected by more than half (53%) of the respondents who had not taken any training. This finding suggested the need for special training arrangements such as distance learning, part-time programmes and so on, where the demand on owner-managers time is not very high. This need for special programme is further supported if we consider the fact that more than 29 percent (10) of the respondents indicated that courses were 'not at a convenient time'.

However, it was also noticed that many respondents felt training is 'not needed' (14) and some were 'unaware of any useful courses' (8). Considering that most of the respondents have been in their present job for a long time (Table 6.2.14), this finding tends to suggest that there is a communication breakdown between training providers and the small business clients they serve.

Question 18 reads "How many times in the last 2 years have you attended training courses either in the company or externally'. This question, which was directed to owner-

managers who had responded positively to Question 17, was designed to determine the heavy users of training so that they could be compared with those who did not use training or perhaps the lighter users.

Table 6.2.18: Frequency Of Attending Training (n=21).

No. of times attended	frequency	valid %	cumulative %
Once	10	47.6	47.6
2 - 5 times	10	47.6	95.2
6 - 10 times	1	4.8	100.0
	-----	-----	
	21	100.0	

As indicated in Table 6.2.18, more than 52 percent of the respondents who had past training experience, had attended courses at least twice within the last 2 years. This result was encouraging but further effort to encourage them to take part in subsequent training is much needed. At this juncture it was felt that it would be an added advantage for this research if a query on "the reasons for taking training" was included in the main questionnaire. This will allow the motivations of the owner-managers concerned to be appraised so that any lessons learned could be used to draw further interest in training. This drawback, however, have no significant consequence on the findings of this study.

k) Perceived Value Of Training Attended

Question 19 was designed to invite the respondents to give their evaluation of the advantages of the training they had attended. The question was divided into 4 sections. The responses to Section 1 of the question, which reads 'I was

able to increase my skill and knowledge', are as shown on Table 6.2.19.

Table 6.2.19: Perceived Value Of Training In Terms Of Increased Management Skills (n=21).

Response level		frequency	valid %	cumulative %
Absolutely Agree	1	4	19.0	19.0
	2	5	23.8	42.8
	3	9	42.9	85.7
	4	3	14.3	100.0
Absolutely disagree	5	-	-	-
		-----	-----	
		21	100.0	

As can be seen in Table 6.2.19, although some positive responses was given, a higher percentage of the respondents (57%) were not convinced of the benefits of training. This result was surprising. These responses, which was given by respondents who supposedly had a high opinion of training, had two implications; first it suggested that the training did not meet the requirement of the small business, either in terms of the type of skill and knowledge expected, or in terms of the end-result anticipated and second; it might indicate that the owner-managers were unable to link what they had learnt with the actual problem they faced in their businesses.

Similar result can also be seen in Table 6.2.20 which shows the response to Section 2. It was observed that there is a slight drop in the positive level of response (28%) and an increase in the negative level of responses (48%). This, indeed, suggested that the owner-managers were unable to relate what they had learnt in training with the actual problem they faced in the day to day managing of the business. This predicament, in some ways, might be due to the weaknesses in the owner-manager's analytical ability (2) or other

factors put forward by Tait (3) which resulted in the mismatch between actual needs and perceived need (thus the type of training attended). However, there is also a possibility that it signifies that the courses themselves might be wrong or had no direct relevance to the business needs of the owner-managers.

Table 6.2.20: Perceived Value Of Training In Terms Of Helping Owner-Managers To Locate and Identify Business Problem (n=22)

Response level		frequency	valid %	cumulative %
Absolutely agree	1	2	9.5	9.5
	2	4	19.0	28.5
	3	5	23.8	52.3
	4	4	19.0	71.3
Absolutely disagree	5	6	28.7	100.0
		-----	-----	
		21	100.0	

Further support could be seen in the responses to statement 3 which reads 'I made changes in my business as a result of the training attended'. As indicated in Table 6.2.21, the positive response to this query is identical to that of the previous query (28%). However, the overall result was more encouraging with almost 43 percent of the respondents indicating they had made some changes in the business as a result of attending the training programmes.

Table 6.2.21: Perceived Value Of Training In Terms Of Helping Owner-Managers In Making Changes To The Business (n=22)

Response level		frequency	valid %	cumulative %
Absolutely agree	1	2	9.5	9.5
	2	4	19.1	28.6
	3	9	42.8	71.4
	4	2	9.5	80.9
Absolutely disagree	5	3	19.1	100.0
No response		1	-	
		-----	-----	
		21	100.0	

The statement for the final section of question 19 reads

'My business was helped'. The results (Table 6.2.22) showed that about 24 percent of the total number of owner-managers who took training gave a negative reaction. However, among those who responded positively (7), 3 believed that the training they attended had provided some help to them in running their business and 4 respondent felt strongly about the contribution made by the training they attended. 43 percent were undecided.

Table 6.2.22: Perceived Value Of Training In Terms Of Providing Help To The Business (n=21)

Response level		frequency	valid %	cumulative %
Absolutely agree	1	4	19.1	19.0
	2	3	14.3	33.4
	3	9	42.8	76.2
	4	5	23.8	100.0
Absolutely disagree	5	-	-	-
		-----	-----	
		21	100.0	

In general, despite the result, it was apparent that the advantages of training is more or less acknowledged by these group of owner-managers. The overall response mean for question 19 is presented in Table 6.2.23. It seems that the most important contribution of training was in term of "increased management skill and knowledge", however, no significant difference between the four measures was observed. Further research effort is definitely needed to confirm this result.

Table 6.2.23: Ranked Overall Response Mean For Advantages Of Training

Advantage	response mean	Rank
Course increased skill	2.52	1
Business was helped	2.71	2
Made changes to business	2.76	3
Locate/identify problem	3.38	4

1) Barriers To The Development Of The Business

Question 20 is an open ended question designed to identify factors which affected the development of the small businesses sampled. The first part of the question which reads 'Have there been any barrier/s to the development of your business?' requested a Yes and No answer. As shown in Table 6.2.24, 26 respondents gave a Yes response and 31 responded with a No answer. 1 respondent gave no response to this question. In the second part, the owner-managers who responded with a "Yes" to the question was asked to list down the barrier/s to the development of their firms.

Out of the 26 respondents, 40 barrier factors were obtained (Appendix E). However, for the purpose of objectivity, the factors were divided into 5 major categories. This was done by observing each of the factors provided and placing them into Finance related, Management related, Personnel related, Sales related and External Environmental factors, as shown in Table 6.2.24.

Table 6.2.24: Major Barriers To The Development Of Respondent Firms.

Response category	frequency	valid %	cumulative %
Yes	26	45.6	45.6
No	31	54.4	100.0
No response	1	-	-
	-----	-----	
	58	100.0	
Type of barriers in Category (n=26)	frequency		
Finance related problems	11		
Management related problems	9		
External environmental problems	9		
Personnel related problems	7		
Marketing/Sales related problems	4		

	total	40	

It was observed that the most frequently mentioned barriers were Finance Related problems. The barriers, which was mentioned 11 times, includes lack of capital, cash-flow difficulties, high cost of borrowing, and ineffective financial control system.

The second highest category was shared equally by Management Related problems and External Environmental factors, each getting 9 responses. Among the factors included in Management Related problems are; lack of direction (no goal set), unavailability of top management staff, ineffective management structure, lack of time (for managing the business) and inconsistent management. External Environmental factors include political pressures, lack of cooperation from local authorities, and lack of suitable office premises.

Personnel related factors rank third in the list of barriers to business development. The most frequently mentioned problem in this category is shortage of skilled workers. Surprisingly, Marketing/Sales related factors ranked lowest. This finding is contrary to the common view found in the literature that marketing is a major barrier to the development of small businesses. This result tends to support the contention that small business managers were ignorant or unaware of the underlying problems facing their firms (Chapter 3).

m) Rank Order Of Needs Of Educational Topics

One of the main objectives of this study was to identify "What are the current management training needs of the owner-

managers" sampled. The research design adopted to achieve this purpose was to establish a rank order of needs of educational topics using the survey questionnaire, and to compare and contrast these educational topics with the topics that would be elicited during the repertory grid interviews. A list of educational needs will then be presented based upon these analysis.

Question 21 contained a list of 26 educational topics commonly offered in small business training programmes. Each topic represents a management function which, in most small businesses, falls within the responsibility of the owner-managers. Initially, the list contained 50 topics which were obtained from the literature and by an extensive examination of a number of training packages currently offered to small businesses. This list was run on a series of 2 pilot studies and as a result 26 most popular topics were selected for inclusion in the final study.

The 26 educational topics selected were divided into 4 major areas of management skills; Production, Marketing and Sales, Accounting and Financial Management and General Management. For each of the topic listed, the owner-managers were asked to rate, on a 5 point scale, the degree of importance, the degree of difficulty, the degree of need for further improvement and the degree of interest in attending training.

In order to eliminate possibility of excluding other topics important to the small business, an 'other topic' option was included (data from the survey, however, showed that no responses for the 'other' categories were reported by any of the respondents). The results of the analyses of the

responses to each section are presented separately below.

i) Importance To On-going Of Business

Firstly, the respondents were asked to rate the importance of each topic to their business on the 5 equal interval scale. The numerical value attached to the scale (1 - 5) indicated the degree of importance, with 1 indicating very important, 2 indicating important, 3 fairly important, 4 least important and 5 not important. Importance mean for each of the 26 educational topics were calculated.

Table 6.2.25: Rank Order Of Topics By Importance To Business.

Activities/Topic	response mean	Rank
Cost Control (P)	1.36	1
Employee Supervision (P)	1.41	2
Quality Control (P)	1.56	3
Estimating and Costing (S)	1.67	4
Business Planning (M)	1.68	5
Financial Planning (F)	1.74	6
Production Planning and Control (P)	1.75	7
Leading and Managing People (M)	1.87	8
Site Organisation (P)	1.89	9
Working Capital Management (F)	1.94	10
Productivity Control (P)	2.02	11
Contracts Management (M)	2.08	12
Dealing with People/Authorities (M)	2.11	13
Health and Safety (M)	2.11	13
Plant and Material Control (P)	2.22	14
Accounting (F)	2.24	15
Understanding Financial Statement (F)	2.29	16
Tax Planning (M)	2.35	17
Communications (M)	2.38	18
Public Relation (S)	2.71	19
Industrial Relations (M)	2.92	20
Insurance and Risk Management (F)	2.96	21
Market Analysis and Planning (F)	3.13	22
Land Acquisition (S)	3.26	23
Loan Packaging (F)	3.36	24
Advertising and Promotion (S)	3.48	25

The ranking of importance of each topic is presented in Table 6.2.25. The letter in parentheses at the end of each activity topic denotes the major area in which the activity

falls, that is, (P) Production, (F) Accounting and Finance, (S) Marketing and Sales, and (M) General Management.

As we shall see from the table, Cost Control was considered the most important topic, followed by Employee Supervision and Quality Control. It is interesting to note that the ten highest ranked topics were dominated by Production related subjects. Five out of the seven production related topics were ranked higher than 10. The second most important category was management related topics, followed by finance topics. It was also observed that there is a significant difference (2.12) between the response mean of the most important and the least important topics. This broad spread tends to indicate that obvious differences in terms of the importance of each topic was realised by the owner-managers.

ii) Difficulty In Handling

Next, the level of difficulty was calculated for each of the topics using the same procedure. The scale again ran from 1 to 5 with 'not difficult' receiving the value 5, 'least difficult, 4, 'fairly difficult, 3, 'difficult' 2, and 'very difficult, 1. Difficulty means were calculated for each of the 26 topics listed.

As can be seen in Table 6.2.26, compared to the earlier category (Importance), a much more balanced distribution of topics was observed. The ten highest ranked subjects were shared almost equally by production, finance and management related topics. However, in term of the overall spread, little

difference in the perceived difficulty level between subjects was noted. The difference in the response mean between the most difficult topic - Tax Planning (3.11) and the least difficult topic - Advertising and Promotion (4.08) is less than 1. This finding tends to indicate the lack of ability on the part of the owner-managers in evaluating the level of difficulty of each of the topics listed.

Table 6.2.26: Rank Order Of Topics By Difficulty In Handling.

Activities/Topic	Response mean	Rank
Tax Planning (M)	3.11	1
Working Capital Management (F)	3.13	2
Financial Planning (F)	3.17	3
Productivity Control (P)	3.18	4
Business Planning (M)	3.22	5
Production Planning and Control (P)	3.24	6
Site Organisation (P)	3.30	7
Cost Control (F)	3.33	8
Land Acquisition (S)	3.35	9
Quality Control (P)	3.36	10
Understanding Financial Statement (F)	3.37	11
Market Analysis and Planning (M)	3.40	12
Plant and Material Control (P)	3.41	13
Estimating (S)	3.44	14
Contracts Management (P)	3.45	15
Health and Safety (M)	3.46	16
Insurance and Risk Management (F)	3.47	17
Accounting (F)	3.50	18
Employee Supervision (P)	3.60	19
Leading and Managing People (M)	3.63	20
Loan Packaging (F)	3.68	21
Public Relations (S)	3.89	22
Communications (M)	3.89	22
Industrial Relations (M)	3.92	23
Dealing with People/Authorities (M)	3.94	24
Advertising and Promotion (S)	4.08	25

iii) Need For Further Improvement

Further testimony of the small business owner-managers ineptitude to training can be seen in Table 6.2.27 which presented the ranking of topics in term of 'need for further improvement'. As shown in the table, the level of perceived needs between the subjects is not significantly different.

Table 6.2.27: Ranking of Topics by Need for Further Improvement

Activities/Topic	Response mean	Rank
Site Organisation (P)	2.89	1
Financial Planning (F)	2.93	2
Business Planning (M)	2.96	3
Productivity Control (P)	3.02	4
Quality Control (P)	3.04	5
Employee Supervision (P)	3.09	6
Contracts Management (M)	3.12	7
Production Planning and Control (P)	3.13	8
Working Capital management (F)	3.14	9
Cost Control (P)	3.22	10
Tax Planning (M)	3.23	11
Health and Safety (M)	3.25	12
Plant and Material Control (P)	3.27	13
Estimating (S)	3.31	14
Understanding Financial Statement (F)	3.37	15
Accounting (F)	3.39	16
Dealing with People/Authorities (M)	3.54	17
Leading and Managing People (M)	3.55	18
Land Acquisition (S)	3.56	19
Insurance and Risk Management (F)	3.56	19
Market Analysis and Planning (F)	3.59	20
Communications (M)	3.61	21
Loan Packaging (F)	3.65	22
Industrial Relation (M)	3.80	23
Public Relations (S)	3.86	24
Advertising and Promotion (S)	3.96	25

iv) Actual Need versus Perceived Need

To test the validity of this ranking of "perceived needs", the topics listed in Table 6.2.27 were compared with the ranking of 'actual needs'. The ranking of the 'actual need' of each topic was obtained by adding the Importance mean (Table 6.2.25) with the Difficulty mean (Table 6.2.24). Thus, the mean score for each topic ranged from 2 [topics perceived very important to on-going success of business (1) and very difficult in handling (1)] indicating high level of needs, to 10 [topics perceived not important to on-going of business (5) and not difficult in handling (5)] indicating low level of needs. The 26 topics were then ranked with the most needed topic ranked 1 and the least needed topic ranked 26.

The relative ranking of topics by 'perceived needs' and

'actual needs' are as shown in Table 6.2.28. It was observed from the table that some discrepancies exists in the ranking of "Actual Needs" and "Perceived Needs". Significant differences (differences which are more than 5) were noted on 6 topics. Training providers should be more careful when offering these topics. The highest difference was noted on Cost Control which was ranked lower (10) in the 'perceived needs' list but ranked high (1) in the 'actual needs' list indicating a difference of 9 units. The lower rank of need perceived for Cost Control might be due to higher competency felt by the respondent owner-managers in handling that task. As noted in Table 6.2.27, Cost Control only ranked eight in terms of difficulty.

Table 6.2.28: Relative Ranking Of Actual And Perceived Needs.

Activities/Topic	Imp.	Dif.	Sum of mean	Actual Need	Perc. Need	Diff.
Cost Control (F)	1.36	3.33	4.69	1	10	(9)
Business Planning (M)	1.63	3.22	4.90	2	3	(1)
Financial Planning (F)	1.74	3.17	4.91	3	2	1
Quality Control (P)	1.56	3.36	4.92	4	5	(1)
Production Plg and Ctrl (P)	1.75	3.24	4.99	5	8	(3)
Employee Supervision (P)	1.41	3.60	5.01	6	6	0
Working Capital Mgt (F)	1.94	3.13	5.07	7	9	(2)
Estimating and Costing (S)	1.67	3.43	5.10	8	14	(6)
Site Organisation (P)	1.89	3.30	5.19	9	1	8
Productivity Control (P)	2.02	3.18	5.20	10	4	6
Tax Planning (M)	2.35	3.11	5.46	11	11	0
Leading and Managing (M)	1.87	3.63	5.50	12	18	(6)
Contracts Management (P)	2.08	3.45	5.53	13	7	6
Health and Safety (M)	2.11	3.46	5.57	14	12	2
Plant and Matl. Ctrl (P)	2.22	3.41	5.63	15	13	2
Und. Fin. Stat. (F)	2.29	3.37	5.66	16	15	1
Accounting (F)	2.24	3.50	5.74	17	16	1
Dealing with people (M)	1.11	3.94	6.05	18	17	1
Communications (M)	2.38	3.89	6.27	19	21	(2)
Insurance and Risk Mgt (F)	2.96	3.47	6.43	20	19	2
Market Anal & Planning (S)	3.13	3.40	6.53	21	20	1
Public Relations (S)	2.71	3.89	6.60	22	24	(2)
Land Acquisition (S)	3.26	3.35	6.61	23	19	4
Industrial Relation (M)	2.92	3.92	6.84	24	23	1
Loan Packaging (F)	3.36	3.68	7.04	25	22	3
Advertising & Promotion (S)	3.48	4.08	7.56	26	25	1

Note: Imp = Importance mean; Dif = Difficulty mean;
Perc Need = Perceived Need; Diff = Difference;

The second highest difference was for Site Organisation.

In this case, however, the 'perceived need' (1) was higher than the 'actual need' (9) indicating a disparity of 8 units (the number in bracket indicated negative values i.e. topics which are ranked higher in terms of Perceived Need than the Actual Need). One possible explanation for this higher need perceived of Site Organisation was owner-managers interest in the topic. Despite being ranked 9th (Table 6.2.25) and 7th (Table 6.2.26) in terms of importance and difficulty respectively, further improvement in the topic was considered to be most needed by the owner-managers. This finding is consistent with the findings of Norris (4) which shows that owner-managers were more interested in areas where they are familiar with, those in which their confidence are highest.

The remaining 4 topics which showed significant differences were Productivity Control, Leading and Managing People, Contracts Management and Estimating and Costing. Each of these topics showed a discrepancy of 6 units. As said earlier, training providers should be more cautious in offering these courses. Further research are needed to identify factors which affected these differences.

Nevertheless, it was observed from the table that all of the topics in question are listed among the 15 most needed topics for both categories (Table 6.2.28). This result, in general, tends to indicate a common understanding among owner-managers on what their training needs were.

v) Topics of Interest

This generalised trend can also be seen in Table 6.2.29

below. It was observed that a higher degree of interest is accorded to the topics which ranked high on the needs lists. This consistency tends to prove that the list (Table 6.2.29) reasonably represents the type of training topics which were needed by the sample respondents and the small business owner-managers population within the study area.

Table 6.2.29: Rank Order Of Topics By Interest In Training

Activities/Topic	Response mean	Rank
Production Planning & Control (P)	2.87	1
Site Organisation (P)	2.88	2
Employee Supervision (P)	2.91	3
Cost Control (P)	3.02	4
Business Planning (M)	3.04	5
Working Capital management (F)	3.06	6
Health & Safety (M)	3.10	7
Quality Control (P)	3.12	8
Estimating & Costing (S)	3.17	9
Financial Planning (F)	3.17	9
Productivity Control (P)	3.42	10
Contracts Management	3.48	11
Tax Planning (M)	3.50	12
Plant & Material Control (P)	3.57	13
Understanding Financial Statement (F)	3.59	14
Leading & Managing People (M)	3.65	15
Accounting (F)	3.71	16
Land Acquisition (S)	3.94	17
Market Analysis & Planning (F)	3.94	17
Communications (M)	3.98	18
Dealing with People/Authorities (M)	4.00	19
Loan Packaging (F)	4.02	20
Industrial Relations (M)	4.04	21
Insurance & Risk Management (F)	3.08	22
Public Relations (S)	4.11	23
Advertising & Promotion (S)	4.28	24

n) Interest in Training

Question 22 was designed to determine the overall general interests of owner-managers in attending future educational offerings. The question read 'How likely are you to attend training if a suitable course/s in any of those areas (in question 21) are offered?'. The result of this query is shown in Table 6.2.30.

Table 6.2.30: Degree Of Interest In Training

Level of interest	frequency	valid %	cumulative %
Most Likely	4	7.5	7.5
Likely	14	26.4	33.9
Don't know	14	26.4	60.4
Unlikely	10	18.9	79.2
Most Unlikely	11	20.8	100.0
No response	5	-	-
	-----	-----	
	58	100.0	

As observed from the table, the overall level of interests displayed by the owner-managers was not very encouraging. About 34 percent of the respondents replied positively, and of these only around 7 percent gave very strong positive answers. Looking at this result, training providers and educators must work even harder to attract more small business owner-managers to training. Perhaps a more effective marketing strategy or a more attractive training programme will bring about a more promising outcome.

o) Preferred Training Format

One of the objective of this study is to identify a training format preferred by the owner-managers of small business. It was felt that any improvement in the training format would help boost the interest of small business owner-managers in training. This particular area of interest was covered by question 23 to question 25 of the questionnaire.

i) Methods Of Instruction

Prior research suggested that owner-managers of small

businesses have a preference for learning from their peers. Question 23 was an attempt to determine if this is the case. The responses to the question, as shown in Table 6.2.31 tends to confirm this view. The 'Group discussion led by other small businessmen' method, which was mentioned 23 times, came as a close second after the 'Lecture by Experts' method (27 times).

Table 6.2.31: Preference Indicated For Methods Of Instruction.

Method of Instruction	Frequency	Rank
Lectures by Experts (Accountants, etc)	27	1
Discussion led by other small businessmen	23	2
Working with a Consultant	19	3
Discussion led by University Faculty	17	4
Specific Problem Clinic/Workshops	15	5
Lecture by University Faculty	14	6
Self-study programme	9	7
Ideal Method of Instruction	Frequency	valid %
Discussion led by other small businessmen	12	23.1
Lectures by Experts (Accountants, etc)	9	17.3
Working with a Consultant	8	15.4
Discussion led by University Faculty	8	15.4
Specific problem Clinic/Workshops	6	11.5
Self study Programmes	5	9.6
Lecture by University Faculty	4	7.7
No response	6	-
	58	100.0

A follow-up question was asked next to identify the most ideal method of instruction perceived by the owner-managers. In the first section of question 23 respondents were allowed to tick more than one answer but in this section they had to pick the best choice. The result, as also shown in Table 6.2.31, is almost identical to the response to the first section with only a switch between the first and the second highest ranked methods of instruction. It is fascinating to note that their peers were the most 'effective' trainers in the eye of the owner-managers.

However, it was also interesting to note that the result

also showed a high degree of preference for formats like "Lectures by Experts", "Discussion led by Small Business Faculty", and "Working with Consultants". This result tends to suggest that the small business managers preferred to have someone who are 'practical' oriented to be their trainers and were more receptive to group discussion or group-counselling approach.

ii) Course Criteria

Question 24 was designed to identify owner-managers preference in term of training criteria. Much has been said in the literature about the inability of owner-managers to take training due to the demand of job on their time. This "lack of time" is one of the major barriers to training, which in fact was supported in the earlier analysis of this study. It was suspected that this lack of time to attend courses, in one way or another, could be related to poor programme scheduling. It is not unreasonable to suggest that owner-managers will be more likely to attend training if courses are offered at times when the demand on their time is not exceptionally high. Thus it is very rewarding if these off-peak periods could be identified and taken into consideration in the provision of programmes.

In question 24, the respondent owner-managers were asked to fill in a grid that listed various options for 'Time of Year', 'Length of Course', 'Training Provider', 'Site of Instruction', and 'Cost of Instruction'. For each question they were asked to tick one of the three columns indicating

whether the option is Preferred, Acceptable or Unacceptable. The columns were given a numerical value from 1 to 3, with Preferred having a value of 1, Acceptable having a value of 2 and Unacceptable having a value of 3. The arithmetic mean of each option were calculated. Thus, the smaller the value of the mean, the higher or more favourable the aggregate rating of that option.

iii) Time Of Year:

The first query on Training Criteria requests information regarding programme scheduling. As suggested earlier, it is important to determine if there is a preferred time of the year for attending training. This information would allow providers to plan and concentrate their efforts seasonally rather than spread out their offerings throughout the year.

Table 6.2.32: Preference Indicated For Time Of Year.

Time of Year	Abs.		Freq.	Valid			Mean	Rank
	1	2		1	2	3		
Winter(n=49)	37	9	3	75	18	6	1.31	1
Autumn(n=40)	6	25	9	15	63	22	2.07	2
Spring(n=40)	5	19	16	13	48	40	2.28	3
Summer(n=40)	0	9	31	-	23	77	2.77	4

Table 6.2.32 shows the time preferences of the respondent owner-managers in this study. The winter months were preferred most with a mean rating of 1.31. Over 94 percent of the respondent felt that this time was 'acceptable' or 'preferred'. This preference for winter months could be due to the shorter working hours and unfavourable working conditions during this season which, sometimes, might necessitate work

stoppage. Thus, owner-managers would find it more time-effective for them to attend training during these months compared to the other 3 season of autumn, spring or summer months which ranked second (mean 2.07), third (mean 2.28) and fourth (mean 2.77) respectively.

iv) Length Of Course

The response to the query regarding length of course is shown in Table 6.2.33. The data displayed in the table clearly indicated that the small business owner-managers want the programme to be as short as possible. On top of the list is a 'One full-day' format (mean 1.51) with a strong 93 percent of the respondents finding it 'acceptable' or 'preferred'.

Table 6.2.33: Preference Indicated For Length Of Courses.

Length of Course	Abs.		Freq.	Valid			Mean	Rank
	1	2		1	2	3		
One day (n=43)	24	16	3	56	37	7	1.51	1
One day/week (n=40)	12	21	7	30	52	18	1.88	2
Evenings (n=43)	15	12	16	35	28	37	2.02	3
2/3 days (n=40)	6	18	16	15	45	40	2.25	4
One week (n=39)	4	5	30	10	13	77	2.67	5

The second highest ranking was 'One day per week for several weeks' format with a mean of 1.88. More than 82 percent of the respondents found this format favourable. This was followed by 'evenings' (mean=2.02) and '2/3 consecutive days' formats (mean=2.25). In contrast, it is noticed that 77 percent of the respondents indicated that a 'one full-week' course format unacceptable. This is not surprising considering how much emphasis they put on their lack of time and being

overworked (question 17)

v) Preferred training provider

In this section the respondents were asked to indicate their preference on 6 training providers. The question was designed to examine if a training provider is more preferred than the other. Overall, the results (Table 6.2.34) indicated that provider of training is of little significance to the owner-managers. However, in term of preference, CITB secured the highest position.

Table 6.2.34: Preference Indicated For Providers Of Training.

Provider of Training	Abs.		Freq.	Valid		percent	Mean	Rank
	1	2		1	2	3		
C.I.T.B(n=42)	12	26	4	28	62	9	1.81	1
Univ(CMS) (n=41)	9	29	3	22	71	7	1.85	2
Univ(BS) (n=37)	6	28	3	16	76	8	1.92	3
Associations(n=39)	9	24	6	23	62	15	1.93	4
College(n=37)	5	26	6	14	70	16	2.03	5
Private(n=38)	6	23	9	16	60	24	2.08	6

Note: Abs. Freq. = Absolute Frequency

vi) Preferred Site Of Instruction

The next section queried about the preferred site of instruction. The result presented in Table 6.2.35 clearly shows preference for local sites of instruction. Sites of instruction which are within 20 miles travel distance receives the highest rank with a mean of 1.40 and instruction within the company premises rank second with a mean of 1.85. On the other hand, sites which are more than 50 miles away was found to be unacceptable by most (84 percent) of the respondent

owner-managers. The result shows a clear indication to the need for localised training programmes. Given the lower degree of inconveniences, such provisions could be a further source of attraction for owner-managers to attend training.

Table 6.2.35: Preference Indicated For Site Of Instruction.

Site of Instruction	Absolute Freq.			Valid percent			Mean	Rank
	1	2	3	1	2	3		
Within 20m(n=50)	32	16	2	64	32	4	1.40	1
Own premise(n=39)	11	15	13	28	39	33	2.05	2
20 - 50m(n=39)	2	17	20	5	44	51	2.46	3
>50(n=38)	0	6	32	-	16	84	2.84	4

vi) Cost Of Instruction

There was a contention that the cost of programme is also a barrier to participation in training. The final section of question 24 was designed to determine if this is the case. As expected, the overall result of this query as shown in Table 6.2.36 indicated a clear preference for instruction which are cheaper, i.e. the lower the cost the more preferred the programme will be.

Table 6.2.36: Preference Indicated For Cost Of Instruction.

Cost of Instruction	Absolute Freq.			Valid percent			Mean	Rank
	1	2	3	1	2	3		
Below £50(n=41)	24	16	1	59	39	2	1.44	1
50 - 100(n=41)	13	27	1	32	66	2	1.71	2
100 - 150(n=39)	6	22	11	15	57	28	2.13	3
> £150(n=38)	2	13	23	5	34	61	2.55	4

However, it was observed that there is little difference in term of preference between courses costing below £50 and those within the £50 -100 range. Both formats were able to

secure a very strong 98 percent preference (categories 1 and 2). The level of acceptance dropped to 72 percent for courses costing in the £100 - 150 band and much lesser for those in the 'more than £150' band whereby 61 percent of the respondents found it unacceptable. Based on this result, it is suggested that training programmes must thus cost not more than £150, but those below £100 are preferable.

vii) Course Selection Factor

Question 25 was designed to examine factors which are important in the selection of training courses. Such information must be known by training providers if a suitable training programme is to be provided. Potential training participants will shy away if factors important to them are not taken into consideration in course design.

As shown in Table 6.2.37, by far the most important factor in course selection is "Course Content" which obtained a mean of 2.02. This was followed by Qualification/Experience of Presenter, Course Timing and Methods of Instruction. However, in general, it is observed that the preference for other selection factors is less significant than Course Content. This finding clearly indicated the need for training courses to be designed to meet the specific needs of the intended customers. The customers will distance themselves if their needs are not met.

Table 6.2.37: Rank Order Of Course Selection Factors.

Selection Factor	Response Mean	Rank
Course content	2.02	1
Qualification/Experience of presenter	3.41	2
Course timing	3.47	3
Method of instruction	3.86	4
Provider of training	4.84	5
Site of instruction	5.04	6
Course fee	5.37	7

p) Perception of value of education

Question 26 was designed to determine the general perception of the owner-managers to education and training. The question was divided into 5 sections. For each section, the owner-managers were asked to indicate the degree to which he agrees or disagrees with the statement on a 5 point scale ranging from 1 absolutely agree to 5 absolutely disagree.

i) Chance Of Doing Well

The statement in the first section reads 'A person with formal management training, starting a business, has a better chance of doing well as a business owner?'. The responses as shown in Table 6.2.38 is not very encouraging. Only about 27 percent of the respondents agreed that this was true while the remaining were cynical of the value concerned.

ii) Helpful To Business

However, a more promising result can be seen in Table 6.2.39 which presented the responses to the second statement. This question was designed to exclude those who had not

attended College / University and reads "Attending College or University before going into business has been helpful to me in running the business". The result appears to be a strong endorsement of the value of College/University education to the small business sampled.

Table 6.2.38: Perceived Value Of Education In Terms Of Increasing The Chances Of Success In Business.

Response level		Frequency	valid %	cumulative %
Absolutely Agree	1	3	5.5	5.5
	2	12	21.8	27.3
	3	32	58.2	85.5
	4	4	7.3	92.7
Absolutely Disagree	5	4	7.3	100.0
No response		3	-	-
		58	100.0	

Table 6.2.39: Perceived Value Of Education In Terms Of Providing Help To The Business.

Response Level		Frequency	Valid %	Cumulative %
Absolutely Agree	1	4	13.8	13.8
	2	11	37.7	51.7
	3	10	34.5	86.2
	4	2	6.9	93.1
Absolutely Disagree	5	2	6.9	100.0
No College		25	-	-
No response		4	-	-
		58	100.0	

iii) Important To Success

The next statement was designed to examine owner-managers' perception of the importance of training in term of its' contribution to the success of the firms. The response to this query is shown in Table 6.2.40.

Table 6.2.40: Perceived Value Of Education In Terms Of Importance To The Success of Business.

Response Level		Frequency	Valid %	Cumulative %
Absolutely Agree	1	2	3.5	3.6
	2	15	26.8	30.4
	3	25	44.4	75.0
	4	11	19.6	94.6
Absolutely Disagree	5	3	5.4	100.0
No Response		2	-	-
		-----	-----	
		58	100.0	

Overall, it was observed that the results is not significantly different from the results obtained from the two previous queries. About 30 percent of the sample population agreed that formal management education is important for the success of their businesses.

iv) Attending For Growth

The statement for section 4 reads 'The owner-manager of a business should seriously consider attending training courses if the company is to grow into a larger company?'.The question was designed to determine if future changes in the business condition will make the respondent owner-managers change their attitudes about attending training. The response to this question is shown in Table 6.2.41.

Table 6.2.41: Perceived Value Of Education In Terms Of Importance For The Growth Of Business.

Response Level		Frequency	Valid %	Cumulative %
Absolutely Agree	1	9	16.1	16.1
	2	23	41.1	57.2
	3	15	26.8	84.0
	4	7	12.5	96.5
Absolutely Disagree	5	2	3.5	100.0
No Response		2	-	-
		-----	-----	
		58	100.0	

A slight increase in the percentage of positive responses was observed. It is noticed that about 57 percent of the respondent replied positively to the question compared to only 27 percent who responded negatively. This finding tend to suggest that positive changes in the business will consequently result in a higher degree of interest in training.

v) Attend If Courses Are Practical

The statement in the final section read 'The owner or manager of a business would seriously consider attending training courses if they are convinced that the materials taught are of practical value to their business?'. Overall, the response as shown in Table 6.2.42 indicated a more positive trend. 50 percent of the respondents indicated very strong agreement and 32 percent agreed that owner-managers will attend training if courses are practical. This result shows a clear indication of the need for courses to be specifically designed to address the problems, needs and desires of the customers. Programmes which do not meet this criteria tends to be viewed as impractical.

Table 6.2.42: Perceived Value Of Education: Managers Will Attend Courses If The Contents Are Practical

Response Level		Frequency	Valid %	Cumulative %
Absolutely Agree	1	28	50.0	50.0
	2	18	32.1	82.1
	3	6	10.7	92.8
	4	3	5.4	98.2
Absolutely Disagree	5	1	1.8	100.0
No Response		2	-	-
		-----	-----	
		58	100.0	

q) Demographic information

The final part of the questionnaire requested information about the age, sex and the highest level of formal education attained by the respondents. This questions was included in the questionnaire for use in demographic analysis of the data.

i) Age Of Respondent

The response to question regarding age of respondent is shown in Table 6.2.43. The age tends to cluster towards the higher age categories. This finding supports the notion that the aspiration towards entrepreneurship and the decision to set up in business is usually arrived at later in adult life (5). Nevertheless, it was felt that other factors such as the difficulties of starting business at younger age or starting a business as a result of unemployment and so on also plays an important part in this respect. The mean age of the respondent owner-manager of this study is 48.

Table 6.2.43: Breakdown Of Age Of Respondents.

Age Group	Frequency	Valid %	Cumulative %
Below 30 years	3	5.7	5.7
30 - 39 years	17	32.1	37.8
40 - 49 years	25	47.1	84.9
Above 50 years	8	15.1	100.0
No Response	1	-	-
	-----	-----	
	54	100.0	

ii) Sex Of Respondent

As indicated in Table 6.2.44, 96 percent of the total

respondents of this study are male. The number of female respondent in this study sample is very small to enable any meaningful analysis in term of the influence of gender on educational interests to be carried out.

Table 6.2.44: Sex Of Respondents.

	Frequency	Valid %	Cumulative %
Male	55	96.5	96.5
Female	2	3.5	100.0
No Response	1	-	-
	-----	-----	
	58	100.0	

iii) Educational Attainment

One general feature of the small business owner-manager frequently mentioned in the literature was their relatively low level of formal education. The Bolton Report (6), for example, found that close to three quarters of the small business owners they surveyed had no further education beyond school level. This is when the school leaving age was lower than 16 year limits.

Table 6.2.45: Highest Level Of Formal Education Attained By Respondents.

Education Level	Frequency	Valid %	Cumulative %
Degree (Building related)	10	18.2	18.2
Degree (Unrelated)	1	1.8	20.0
Members of Professional Inst.	11	20.0	40.0
Technician Certificate	6	10.9	50.9
Craft Certificate	6	10.9	61.8
Other Further Education Cert.	4	7.3	69.1
None	17	30.9	100.0
No Response	3	-	-
	-----	-----	
	58	100.0	

However, as shown in Table 6.2.45, the level of education of the respondents of this survey was higher than expected.

Less than 31 percent of the respondents indicated that they only had basic formal education while the remaining had formal education qualification up to a certain level. Interestingly, 20 percent of respondents had degree qualification and the same percentage were members of a certain professional institution. This finding bears some similarity to the findings of Watkins (7) who found that those educated only up to secondary school level accounted for 55 percent of his sample while 14 percent had been educated to a degree level. This pattern, possibly reflecting a growth in higher and further education, was also observed in other studies (8) where the respondents falling into a large under-educated group and a smaller, but significant group of graduates.

6.2.1 Summary Of Results

The following points describe briefly the sample of firms surveyed in this study.

- a) Regarding the Firm - a high percentage (86.2 percent) was established for more than 5 years; hired an average of 16 employees and appeared to be successful.

- b) Regarding the background of the respondents - 96.5 percent were male; aged 40 years or older (62.2 percent); had attained a certain level of formal educational qualification (61.8 percent); 58.6 percent founded the business and the majority (87.5

percent) owned the business.

- c) As a group, these owner-managers were experienced in the business with the majority (73.2 percent) having 11 years or more business experience and 60.7 percent having 5 years or more with their present firm.
- d) With regard to education and training - as a group, these owner-managers showed little appreciation for education and training; the majority (63.2 percent) had never attended training courses of any sort; a lower percentage (34.0 percent) showed strong interest in future training.
- e) Topics needed for future training - although some discrepancy in the ranking between actual and perceived needs was observed, in general, no significant differences were noticed in the topics of interest. In terms of order of interest, Production related topics ranked highest, followed by Management, Finance and Marketing/Sales. The ten most popular topics, ranked in order of interest, are as follows:
 - 1) Production Planning and Control (P)
 - 2) Site Organisation (P)
 - 3) Employee Supervision (P)
 - 4) Cost Control (P)
 - 5) Business Planning (M)
 - 6) Working Capital Management (F)
 - 7) Safety and Health (M)
 - 8) Quality Control (P)
 - 9) Estimating and Costing (S)
 - 10) Financial Planning (F)

f) The preceeding analysis has revealed that there are a variety of ways that the delivery system for the small business owner-managers can be structured. However, preferences have been indicated regarding Method of Instruction, Course Criteria, Time and Site of Instruction that would make instruction more accessible to the entrepreneurs. These are summarised as follows:

- 1) Winter months are most preferred but Autumn months are acceptable.
- 2) The best location is one within 20 miles traveling distance.
- 3) 'One full day' course format was preferred but 'Once a week for several weeks' format was acceptable.
- 4) The lower the cost, the more preferable. A cost of 100 pounds or less is acceptable.
- 5) The result shows an apparent preference for instructions which involves group, and in particular those methods where other small business managers are also involved.

g) In terms of course selection factor, Course Content is the most important consideration. Qualification of Presenter, Course Timing, and Method of Instruction are also important.

6.3 Analysis Of Relationships

This section presents the results of the second stage of analysis on the main survey questionnaire data. In this stage relationships between variables were examined using the Cross-Tabulation Table (or Contingency Table) and Chi Square routines of the Statistical Package for the Social Sciences (SPSS-X). The aim of this analysis was to use the survey data to identify important factors which influence and shape owner-managers perceptions of importance and interest in education and training.

For the purpose of this analysis 14 factors were considered. The reasons for postulating these factors as important were discussed in Chapter Five. These factors, which can be divided into two categories, are as follows:

1. Owner-Manager Characteristics:

- a) Founder/Non-founder status of owner-manager.
- b) Number of years in business.
- c) Number of years as manager of present business
- d) Number of previous business managed
- d) Failure in previous business
- e) Age of Owner-Manager
- f) Educational attainment
- g) Past training attendance

2. Business Characteristics:

- a) Number of Managerial/Supervisory staff
- b) Number of Employees
- c) Perceived success of business
- d) Use of External help/assistance
- e) Satisfaction with present performance
- f) Location in Industry

The correlations of 'Interest in' and the 'Appreciation

of value' of training with these factors will be examined below.

6.3.1 Measures of 'Interest in', and 'Appreciation of' Education and Training

Before commencing this analysis it was necessary to define interest and provide a measure. The method chosen was straightforward that is by using the responses to questions 22 and 26 of the main survey questionnaire. Six dependent variables which are incorporated in the responses to the 2 questions mentioned will be used to assess the degree of 'Interest in', and 'the Appreciation of' education and training perceived by the owner-managers.

In question 22, the owner-managers were asked to indicate, on a 5 point scale, 'How likely are you to attend training if suitable course/s in any of those topics (Question 21) are offered?'. This question proposed to measure the degree of 'interest in training' perceived by the owner-managers. It was assumed that a positive response (e.g. score 1 or 2) to the question demonstrated that the respondent are 'interested' in training. Further, respondents who responded with a score of 1 or 2 will be deemed 'more interested' than those who responded with a score of 3, 4 or 5.

Question 26, which comprises five statements, was used to assess the degree of 'appreciation of education and training' perceived by the owner-managers. For each of the statement the respondent owner-managers were asked to indicate, again on a 5-point scale, the degree at which he/she agreed to each of

the 5 statements.

The first statement reads:

A person with formal business management training, starting a business, has a better chance of doing well as a business manager.

This question proposed to evaluate owner-managers views of the extent to which prior formal business management training can provide basic knowledge and skill in helping owner-managers to succeed in business.

The second question was intended to appraise owner-managers appreciation of College or University education. For this purpose, only responses from owner-managers who had College or University education were pursued. The statement reads:

Attending College or University before going into business has been helpful to me in running my business.

Next, the perceived importance of training to the success of a business was examined. The third statement which was intended to assess the respondents appreciation of this value of education and training reads:

Formal management training is important to the success of a business.

This was followed by a question which reads:

The owner or manager of a business should seriously consider attending training courses if the company is to grow into a larger company.

The intention here was to examine if changes in the business

will affect a change in owner-managers attitude to training. Finally, the influence of course criteria on interest in training was also measured. The fifth statement which seek owner-managers views in this regard reads:

The owner or manager of a business would seriously consider attending training courses if they are convinced that the material taught are of practical value to their business.

Again, similar to the previous case, the fundamental assumption underlying the adoption of these measures of owner-managers 'appreciation of education and training' variables was that, a positive response will indicate a positive perception of education and training. Thus, in this case, the more positive a given score, the higher will be the degree of 'appreciation' of education and training. Based on this suggestion, a respondent who responded with a score of 1 was deemed to hold a higher degree of appreciation for education and training than those who responded with a score of 2 or 3. Consequently, respondents who indicated a higher degree of 'appreciation of education and training' will be more inclined to participate in future education and training programmes than those who indicated a lower degree of appreciation.

6.3.2 Measure Of Interest In Education And Training

As stated earlier, the responses to questions 22 and 26 was used to measure the owner-managers 'interest in, and 'appreciation of education and training' (hereinafter referred

to as Interest in Training). To achieve this purpose, a 2 x 2 contingency table was used. The actual responses to the 2 questions were divided into 2 categories. Those which obtain a score of 1 and 2 on the 5 point scale was included in the 'Interested' category while those on the remaining 3 scores (3,4 and 5) was included in the 'Non-interested' category. Considering the small size of useable sample for this study, this condensation of the data was deemed both necessary and desirable since a larger table, for example 2 X 5, will result in a large number of blank cells. It was also anticipated that the procedure adopted will help facilitate analysis of the results. The rationality of this approach was the belief that owner-managers who responded to the questions with a score of 1 and 2 perceived a higher degree of interest in attending education and training than those who responded with a score of 3, 4 or 5. In the main, it was speculated, the former group of owner-managers will be the most likely customers for the future education and training programmes.

However, it may be argued, a score of 3 on the 5 point scale also exhibited some element of 'Interest' which might give inaccurate result as a consequence of the present treatment. This is not the case. The primary concern was to identify the 'most likely' customers of future training provisions. In this regard, it was considered, it is more realistic if the responses of owner-managers in this group (score 3) be linked with the 'Non-Interested' category. However, it was recognised that this treatment is not absolute. Owner-managers interest in training could be boosted if, for example, more appropriate courses were offered. To the contrary, due to one reason or another, not all those who

indicated interest will take up the training offered. Thus, it was felt, the treatment was justified.

In the first part of the analysis the relationship will be measured between 'interest in education and training' with the 14 independent variables using the Crosstab routine of the SPSS-X. However, due to limitation of space and for ease of presentation, only a partial outcome of the cross-tabulation table (or a Contingency table) will be presented. This was done by extracting replies which only shows positive responses to the six interest measures. Thus, for a contingency table 6.3.0 below, for example, only the values 6 (number of business founders who have indicated interest in training - score 1 or 2) and 12 (number of non-founders who indicated interest in training) will be extracted. Nonetheless, in addition to these absolute values, the relative percentages of each data (e.g. $6/30 = 20\%$ or $12/23 = 52.2\%$) will also be presented, thus allowing the calculation of the remaining data (non-interested responses) to be made where and when needed.

Table 6.3.0: An Example Of The Cross-Tabulation Table.

	Founder	Non-founder	
Interested (score 1 or 2)	6	12	18
Not Interested (score 3,4 or 5)	24	11	35
	30	23	n = 53

Following this, the degree of significance of these relationships will then be tested by using the Pearson's Chi-

Square test. As stated earlier in Chapter Five, relationships which are significant at a probability value (p-value) of 0.05 or better is selected. At the 5 percent level of significance, the critical Table value of Chi-Square is given as 3.84. Thus, any relationship which obtained a Chi-Square value smaller than 3.84 (or a p-value which are bigger than 0.05) will be rejected.

The result and discussion of each of the variables tested are as follows:

6.3.3 Measures of Correlation Between Personal Characteristics Of The Owner-Managers and Interest in Training

Firstly, the relationship between 'Interest in Education and Training' with the Personal Characteristics of the Owner-managers is considered. The characteristics were Founder/Non-Founder status, Number of Years in Business, Number of Years As Manager of the Present Business, Number of Previous Business Managed, Past Failure in Business, Age, Educational Attainment and Past Attendance in Training.

a) Founder/Non-Founder Status

The first characteristic examined was Founder/Non-founder status of the owner-managers. The relationship between the "Interest in Training" with this characteristics are as shown in Table 6.3.1 below.

Table 6.3.1: Measure Of Correlation Between
Interest In Training Versus Founder/Non-founder Status

Characteristics measured	Founder Freq.	%	Non-founder freq.	%	Chi-Square Value
Interest in training (n=53)	6	20.0	12	52.2	6.01
Better chance of success (n=55)	5	16.1	10	41.7	4.45
Was helpful to business (n=29)	6	42.9	9	60.0	0.85
Important to success (n=56)	5	15.6	12	50.0	7.66
Important for growth (n=56)	14	43.8	18	75.0	5.47
Attend if practical (n=56)	24	75.0	22	91.7	2.60

As seen in the table, the 6 measurement variables was located on the left hand side of the table while the two categories that is 'Business Founder' and 'Non-founder' were located on the top of the right hand side of the table alongside the "Chi-Square Value" heading. The numbers in brackets adjacent to the variables, for example (n=53), indicated the total number of responses for that particular variable. As one can expect, the value of n varies accordingly to coincide with the number of missing responses. The frequency and the percentage exhibited below the 'Business Founder' and 'Non-founder' heading indicated the number of positive responses and the percentage represented respectively for that category.

Generally, it is observed that Non-Founders were more positive in their views than business Founders. As seen in the table, a lower degree of interest in training is apparent among business founders. Although the Chi-Square values were significant in only 4 out of the 6 cases measured, business Founders displayed a lower percentage of response in all 6 cases measured. The result tends to show evidence of a relationship between founder/non-founder status and interest in training. If we consider business founders as more enterprising than non-founders, this finding implied that

"entrepreneurial characteristics" had an important influence on the educational interests of the small business owner-managers. This is consistent with the findings of Bowser (9) which shows a decline in interest in seeking external help among small business managers which had a higher level of entrepreneurial characteristics.

b) Number Of Years In Business

The second characteristic measured is the Number of Years in Business. Initially, the intention was to divide the number of Years in Business into "Below 5 years" and "More than 5 years" category so that comparisons can be made between those who are fairly "new" and those who had been in the business for a "long" period of time. Surprisingly, it was discovered that all respondents of this study had been in business for more than 5 years, the majority being those who had "more than 20 years" experience (refer Table 6.2.13, page 191). [This fact provided some explanation why the aspirations toward entrepreneurship and the decision to set up in business is usually arrived at later in adult life (5). In addition, it also explains why the age of respondent owner-managers tend to cluster towards the higher age category].

Following this problem, it was decided that the sample be divided into the following 2 categories that is "Below 10 years" and "More than 10 years" category. The relationship between Interest in Training and the Number of Years in Business are as shown in Table 6.3.2 below.

Table 6.3.2: Measure Of Correlation Between
Interest In Training Versus Number Of Years In Business

Characteristics measured	Number of Years in Business				Chi-Square Value
	< 10 yrs		> 10 yrs		
	Freq.	%	freq.	%	
Interest in training(n=51)	6	40.0	12	33.3	0.21
Better chance of success(n=53)	6	40.0	9	23.7	1.41
Was helpful to business(n=29)	7	77.8	8	40.0	3.54
Important to success(n=54)	4	26.7	12	30.8	0.87
Important for growth(n=54)	11	73.3	21	53.8	1.70
Attend if practical(n=54)	11	73.3	34	87.2	1.50

In general, it is observed that the respondents who had shorter years of business experience showed a higher interest in training than those who had longer years of experience. However, looking at the Chi-Square values, the two groups were not significantly different in their views. This finding showed no evidence that the number of years of experience in business is related to interest in training.

Regardless of this outcome, the findings must be accepted with caution. As was suggested by Bowser (9) owner-managers who had longer years of business experience were less likely to seek external assistance than those who had shorter years of experience. Although the result of this study showed no support to this contention, it cannot be accepted as a general view of all small business population without further research. The lack of relationship between interest in training and the number of years in business, to some extent, might be due to the category used. A different result might be obtained if an adequate number of "new" owner-managers was included in the sample. Evidently, in the present case, all the sample respondents have had a considerable number of years of experience in the business.

c) Number Of Years As Manager

Thirdly, the relationship between interest in training and the Number of Years as Managers of the Business was measured. Similar to the test on Number of Years in Business, this analysis attempted to explore if managerial experience had an impact on the owner-managers Interest in Training. Again, as Bowser (9) suggested, the longer the managerial experience of the owner-manager concerned, the less likely will he be interested in seeking external help. This seems to indicate that the more experienced the owner is, the more self-sufficient or secure he tends to be.

Table 6.3.3: Measure Of Correlation Between Interest In Training Versus Number Of Year as Manager

Characteristics measured	Number of Years as Manager				Chi-Square Value
	1 to 3 yrs Freq.	%	above 3 yrs freq.	%	
Interest in training(n=51)	5	71.4	13	29.5	4.64
Better chance of success(n=53)	3	42.8	12	26.1	0.84
Was helpful to business(n=29)	3	75.0	12	48.0	1.01
Important to success(n=54)	4	57.1	12	25.5	2.92
Important for growth(n=54)	6	85.7	26	55.3	2.33
Attend if practical(n=45)	5	71.4	40	85.1	0.82

However, the result as shown in Table 6.3.3, is not supportive of this view. Although the respondents who had shorter years of managerial experience showed a generally higher level of response than those who had longer years of experience, the table value of Chi-Square (3.84 at $p = 0.05$) is exceeded in only 1 case. Again, as in the previous case, the setback of this study seems to be the "under-representation" of respondents who had shorter years of experience. Further research, with a larger sample size, is

proposed to verify this result. Nevertheless, based on the current data, the Number of Years as Manager had no significant impact on owner-managers interest in training.

d) Number Of Previous Business Managed

The next characteristic tested was Number of Previous Businesses Managed. Similar to the "Number of Years as Manager", this variable also proposed to measure how much the "past managerial experience" that the owner-manager has had affected their interest in training. The result, as shown in Table 6.3.4, showed no evidence of a relationship between this variable and interest in training. However, it is interesting to note that both categories of respondents were interested in attending training courses which are practical. This finding, apparently, suggested that more of these 'practical' courses is needed.

Table 6.3.4: Measure Of Correlation Between Interest In Training Versus Previous Business Managed

Characteristics measured	Number of Previous Businesses				Chi-Square Value
	None Freq.	%	1 or more freq.	%	
Interest in training(n=51)	9	31.0	9	40.9	0.53
Better chance of success(n=53)	7	23.3	8	34.8	0.84
Was helpful to business(n=29)	7	38.9	8	72.7	3.13
Important to success(n=54)	8	26.7	8	33.3	0.28
Important for growth(n=54)	15	50.0	17	70.8	2.40
Attend if practical(n=54)	22	73.3	23	95.8	4.86

e) Failure In Previous Businesses

Table 6.3.5 shows the result of the Chi-Square test run

on the characteristic "Failure in Previous Businesses". This test proposed to evaluate if past failure in businesses will have an impact on the small business owner-managers perception of and interest in education and training.

Table 6.3.5: Measure Of Correlations Between Interest In Training Versus Failure In Previous Business

Characteristics measured	Failure in Previous Businesses				Chi-Square Value
	Failed Freq.	%	No freq.	%	
Interest in training (n=52)	6	100.0	12	26.1	18.21
Better chance of success (n=54)	6	100.0	9	18.8	17.55
Was helpful to business (n=29)	4	80.0	11	45.8	4.98
Important to success (n=55)	6	100.0	11	22.4	15.05
Important for growth (n=55)	6	100.0	26	53.1	4.84
Attend if practical (n=55)	5	83.3	40	81.6	0.01

Overall, the evidence displayed in the table shows that the "Failure in Previous Businesses" is significantly related to interest in training. It is observed that the Chi-Square values were significant in 5 out of the 6 cases measured. In the sixth case, a diminutive Chi-square value was obtained. The reason for this small Chi-squared value can be seen in Table 6.3.5. As shown in the table, the percentage of responses reported by each group was almost equal. This result tend to demonstrate that both the failed and non-failed respondents were consistent in their view that the "it would be more likely for the small business owner-managers to attend training if they are convinced that the materials taught are of practical value to their businesses". It was speculated that much of this interest might have come into being as a result of the failure, thus, suggesting that the ordeal has had a positive influence on these owner-managers. They now

tend to be more cautious and ready to reap the benefit from external help including education and training. Based on this result we can conclude that interest in training is significantly related to Failure in Previous Business [The suggestion that it is important for the small business to fail before it can succeed, as reported by Thorpe (Chapter 3), seems to be relevant here].

f) Previous Training Experience

The next characteristic measured was 'Previous Training Experience'. It was suggested that this characteristic is a good indicator of owner-managers perception of importance and interest in training. It was felt that owner-managers who had past experiences in education and training programmes will be more inclined to participate in future offerings.

Table 6.3.6: Measure Of Correlations Between Interest In Training Versus Previous Training Attendance

Characteristics measured	Previous Training Attendance		No		Chi-Square Value
	Attended		freq.	%	
	Freq.	%			
Interest in training(n=26)	13	81.3	13	36.1	9.03
Better chance of success(n=33)	16	84.2	17	48.6	6.58
Was helpful to business(n=17)	7	63.6	10	55.6	0.64
Important to success(n=32)	16	84.2	16	44.4	8.08
Important for growth(n=33)	17	89.5	16	44.4	10.51
Attend if practical(n=40)	19	100.0	21	58.3	10.88

The results of the test on this variable are as shown in Table 6.3.6. As expected, the results displayed tend to support the assumption stated above. Owner-managers who had attended training showed a higher percentage of response in

all the variables measured. However, it was observed that the Chi-Square values was significant in only 5 out of the 6 variables measured. Nonetheless, although a small Chi-Square value was obtained for the sixth case, it was noticed that the level of responses given by both category of owner-managers was moderately high. This result was not surprising given that the responses for this particular case was sought from owner-managers who had College educations only. This findings tend to suggest that owner-managers who had a higher level of educational attainment were not significantly different in their views to training. Based on the result, we can conclude that Previous Attendance in Training is significantly related to owner-managers future interest in training.

g) Age Of Respondent

The characteristics tested next was Age of Owner-Managers. It was contended that those who are younger were more receptive to external help.

Table 6.3.7: Measure Of Correlation Between Interest In Training Versus Age of Respondent

Variables measured	Below 40		40 or Above		Chi-Square Value
	Freq.	%	freq.	%	
Interest in training(n=53)	7	35.0	11	33.3	0.02
Better chance of success(n=55)	5	23.8	10	29.4	0.20
Was helpful to business(n=29)	6	50.0	9	52.9	0.19
Important to success(n=56)	5	23.8	12	34.3	0.68
Important for growth(n=56)	14	66.7	18	51.4	1.24
Attend if practical(n=56)	20	95.2	26	74.3	3.93

However, this contention received little support from this study. As shown in Table 6.3.7 significant Chi-Square

value was observed in only one case. Generally, this result showed no evidence that the level of interest in education and training that the owner-managers had, is related to age.

h) Educational Attainment

The last personal characteristic measured was the level of educational attainment of the owner-managers. Educational level was an important factor in the decision making process of owner-managers. It was suggested in the literature that people with higher level of education tends to be more receptive to external help. Similarly, in the case of training, the higher the level of education attained, the higher the interest will be. Such people having had longer years of experience in an educational environment, will hold a more positive view towards education and training and will be "less afraid" of education.

Table 6.3.8: Measure Of Correlation Between Interest In Training Versus Educational Attainment

Variables measured	Basic Educ.		Higher Educ.		Chi-Square
	Freq.	%	freq.	%	Value
Interest in training(n=52)	3	17.6	15	42.8	3.21
Better chance of success(n=53)	1	5.9	14	38.9	6.20
Was helpful to business(n=29)	2	40.0	13	54.2	6.69
Important to success(n=54)	2	11.8	15	40.5	4.47
Important for growth(n=54)	10	58.8	21	56.8	0.02
Attend if practical(n=54)	15	88.2	30	81.1	0.43

However, the result of the test as displayed in Table 6.3.8, showed limited support to this contention. It can be seen that the Chi-Square values were significant in only 3 out of the 6 cases measured. Nonetheless, in one of the case

measured, a lower level of significance ($p\text{-value}=0.10$) was observed. Further, in addition to the result mentioned, it was observed that the percentage of positive responses given by the Interested managers to the remaining two cases was higher than that given by the Non-Interested group. This trend suggested that the owner-managers who had a higher level of education was not significantly different in their view with regard to these two variables. Based on this mixed result, there was no evidence to support or reject the suggestion that the educational level attained by the owner-manager had an important influence on their interest in education and training.

6.3.4 Measure Of Correlations Between Characteristic Of The Business And Interest In Training

Next, the relationship between Interest in Training and Characteristics of the Business was tested. The 6 business characteristics selected were; Number of Managers/Supervisors, Number of Employees, Perceived Success of Business, Use of External Help, Satisfaction with Present Performance of Business, and Perceived Location in Industry. The result of the test will be analysed separately below:

a) Number Of Managers/Supervisors

In examining the 'Number of Managers/Supervisors' in the respondent firm, it was suggested that the more managers a

firm had, the more self sufficient it would be. Presumably owner-managers of these firms would be less inclined to participate in training than owner-managers which had fewer managers since, in the former, management tasks would be delegated or shared among the managers available in the firm.

Table 6.3.9 presented the result of the Cross-tabulation and Chi-Square test run on the two variables i.e. the Number of Managers/Supervisors and Interest in training. Generally, it was observed that respondent firms which had one Manager/Supervisor showed a more positive response level than those which had more than 1 Manager/Supervisor. Despite this overall positive trend, it was noticed that the Chi-Square value is significant in only one case. Based on these findings, it can be concluded that the number of managerial/supervisory staff in a firm is not related to the owner-managers interest in training.

Table 6.3.9: Measure Of Correlation Between Interest In Training Versus Number Of Manager/Supervisor

Variables measured	One		2 or More		Chi-Square Value
	Freq.	%	freq.	%	
Interest in training(n=53)	7	77.8	11	25.0	9.28
Better chance of success(n=55)	4	44.4	11	23.9	1.60
Was helpful to business(n=29)	1	20.0	14	58.3	2.52
Important to success(n=56)	5	55.5	12	25.5	3.22
Important for growth(n=56)	7	77.8	25	53.2	1.86
Attend if practical(n=56)	8	88.9	38	80.8	0.33

b) Number of Employees

The next characteristic measured was the "Number of Employees" in the firm. This variable proposed to measure the effect of "Size of the Firms" on "Interest in training".

Several researchers suggested that 'Larger' firms were more inclined than 'Smaller' firms towards training. However, the result as shown in Table 6.3.10, showed little evidence to support this claim. As displayed in the table, significant Chi-Square value was found in only 1 out of the 6 categories tested.

Table 6.3.10: Measure Of Correlation Between Interest In Training Versus Number Of Employees

Variables measured	1 to 10 Freq.	%	11 or More freq.	%	Chi-Square Value
Interest in training(n=53)	7	35.0	11	33.3	0.01
Better chance of success(n=55)	6	26.1	9	28.1	0.03
Was helpful to business(n=29)	3	37.5	12	57.1	0.89
Important to success(n=56)	5	21.7	12	36.4	1.37
Important for growth(n=56)	14	60.9	18	54.5	0.22
Attend if practical(n=56)	22	95.6	24	72.7	4.86

c) Success Of Business

The degree of success of a firm was also said to be related to the use of external help. It was suggested that owner-managers who seek external help seems to rate their businesses as more successful than those who did not. The result in Table 6.3.11 tends to show support for this view. The Chi-Square value is significant in 5 out of the 6 cases tested. It was observed that the number of responses obtained by 'Successful' owner-managers was very much higher than those received by 'Un-successful' owner-managers. Based on this data, we may conclude that owner-managers perceptions of the success of their business is highly related to their interest in training.

Table 6.3.11: Measure Of Correlation Between
Interest In Training Versus Perceived Business Success

Variables measured	Successful		Not Successful		Chi-Square
	Freq.	%	freq.	%	Value
Interest in training (n=53)	17	47.2	1	5.9	7.86
Better chance of success (n=55)	14	40.0	1	5.0	
Was helpful to business (n=29)	12	66.7	3	27.3	5.09
Important to success (n=56)	15	41.7	2	10.0	6.10
Important for growth (n=56)	25	69.4	7	35.0	6.23
Attend if practical (n=56)	31	86.1	15	75.0	1.08

d) Use Of External Help

The "Use of External Help" was the next characteristic tested. The suggestion here is that owner-managers who seek external help will also be more receptive to education and training. Table 6.3.12 showed that the Chi-Square values were significant in only 2 out of the 6 cases tested. However, it was noted that respondents who had used external help showed a higher percentage of response in 4 of the 6 cases measured. Based on this mixed result, we may neither reject nor accept 'Use of External Help' as an important factor in determining interest in education and training.

Table 6.3.12: Measure Of Correlation Between
Interest In Training Versus Use Of External Help

Variables measured	Yes		No		Chi-Square
	Freq.	%	freq.	%	Value
Interest in training (n=52)	12	54.5	6	20.0	6.69
Better chance of success (n=54)	11	44.0	4	13.8	6.10
Was helpful to business (n=28)	6	50.0	9	56.3	0.25
Important to success (n=55)	10	4.0	7	23.3	1.77
Important for growth (n=55)	16	64.0	16	53.3	0.64
Attend if practical (n=55)	22	88.0	23	76.7	1.18

e) Satisfaction With Present Performance

The next characteristic measured was Satisfaction With Present Business Performance'. It was suggested that owner-managers who felt satisfied with the current performance of their business would feel 'complacent' and this feeling of complacency might be a factor which would weaken their desire to improve, thus, they have little interest in education and training.

Table 6.3.13: Measure Of Correlation Between Interest In Training Versus Satisfaction With Present Performance

Variables measured	Yes		No		Chi-Square Value
	Freq.	%	freq.	%	
Interest in training (n=51)	11	39.3	7	30.4	0.43
Better chance of success (n=53)	9	33.3	6	23.1	0.69
Was helpful to business (n=29)	8	57.1	7	46.7	0.32
Important to success (n=54)	9	32.1	7	26.9	0.18
Important for growth (n=54)	16	57.1	16	61.5	0.11
Attend if practical (n=54)	22	78.6	23	88.5	0.95

However, the result as shown in Table 6.3.13 showed no significant relationship between interest in training and 'Satisfaction With Present Business Performance'. None of the variables tested had a Chi-Square value which exceeded the table value. Based on this result, we may conclude that interest in training is not related to this characteristic.

f) Location In Industry

The last business characteristics measured was 'Location In Industry'. In the main survey questionnaire owner-managers

were asked to indicate the relative position of their firm in contrast to other small firms in the industry. The result of the test on this characteristic are as shown in Table 6.3.14.

Table 6.3.14: Measure of Correlation Between Interest In Training Versus Location In Industry

Variables measured	Successful Freq.	%	Not Successful freq.	%	Chi-Square Value
Interest in training(n=52)	16	51.6	2	9.5	9.80
Better chance of success(n=54)	12	40.0	3	12.5	5.03
Was helpful to business(n=29)	9	52.9	6	50.0	0.02
Important to success(n=55)	14	45.1	2	8.3	8.89
Important for growth(n=55)	24	77.4	8	33.3	10.80
Attend if practical(n=55)	29	93.5	17	70.8	5.09

Generally, the results showed that interest in training is significantly related to this factor. It was found that owner-managers who are interested in training rated their firm as more successful than owner-managers who are not interested. Significant Chi-Square values were observed in 5 out of the 6 cases tested. Thus, we may conclude that 'Location in Industry' is significantly related to interest in education and training.

6.3.5 Summary Of Results

Based on the preceeding analyses, it was found that six variable factors were significantly related to owner-managers perception of value of, and interest in education and training. These are:

- a) Founder/Non-founder status.
- b) Failure in previous businesses.
- c) Education attainment.

- d) Perceived success of business.
- e) Location in industry.
- f) Previous training experience.

In addition, some evidence of the influence of the following four factors on owner-managers' perception of value of, and interest in education and training were also found. However, further research is needed to verify the result. The factors were:

- a) Number of years as manager.
- b) Number of managers/supervisors.
- c) Use of external assistance.
- d) Satisfaction with present business performance.

Conversely, no significant relationship was found between owner-managers' perception of value of, and interest in training to the following factors.

- a) Number of years in any business.
- b) Number of previous businesses managed.
- c) Age, and
- d) Number of employees.

6.4 Summary Of Findings Based On The Responses Of The Main Questionnaire Survey

This summary presents major findings determined from the analysis of the Main Questionnaire Survey.

- 1) The respondents of this study has demonstrated a variety of interest in education and training. However, it was established that the majority of respondents (66 percent) were not interested in attending future training.
- 2) Owner-managers who are interested in education and training perceived a higher value of education and training. These owner-managers were characterised by the following:
 - a) They were not founders of the business.
 - b) They have experienced failure in previous businesses.
 - c) They had higher levels of educational attainment.
 - d) They rated their business as successful.
 - e) They had previous training experience.
- 3) A variety of ways for the delivering of training courses are possible. However, there are clear indication that short courses, which are relevant to the needs of the small firms and organized locally are preferred. Preference has also being indicated for 'discussion' type programmes which are led either by other small businessmen or by experts.
- 4) Ten most popular topics of interest for future training has emerged from the analysis. These are;

- 4) Ten most popular topics of interest for future training has emerged from the analysis. These were;
- 1) Production Planning And Control,
 - 2) Site Organisation,
 - 3) Employee Supervision,
 - 4) Cost Control,
 - 5) Business Planning,
 - 6) Working Capital Management,
 - 7) Health And Safety,
 - 8) Quality Control,
 - 9) Estimating And Costing and
 - 10) Financial Planning.

Generally, this findings has provided some support for Supposition 3, forwarded earlier in Chapter Five of this thesis. To restate, Supposition 3 reads;

Interest in training was motivated by the pattern of understanding by owner-managers of their personality, their past education, their length and type of experience, the relative success of their business and their previous training experience.

CHAPTER SEVEN
ANALYSIS OF THE REPERTORY GRID AND
PERSONAL PROJECT DATA

CHAPTER SEVEN

Analysis Of The Repertory Grid And
Personal Project Data

7.1 Introduction

This Chapter presented the results of the analysis of the Repertory Grid and Personal Project data. In this analysis the information, which was obtained from a smaller sub-sample of twenty (20) respondents, will be examined in both quantitative and qualitative terms, to identify important factors which affected owner-managers' interest in and appreciation of education and training. In addition, areas of interest for future training indicated by the owner-managers, will also be identified from the Repertory Grid data to allow comparisons to be made with the results of the main questionnaire.

7.2 Analysis of the Repertory Grid Data.

As indicated earlier in Chapter Five, a follow-up study was conducted on a smaller sub-sample of twenty owner-managers. The sub-sample, which comprised of an equal number of Interested and Non-Interested respondents, were interviewed during the months of October 1990 till February 1991. The purpose of this interview was to elicit information regarding factors which affected interest in education and training.

7.2.1 Frequency Analysis of Constructs

A total of 213 constructs (Appendix F) were elicited from the respondents using the Repertory Grid Technique. Each of the construct were examined and closely related constructs were grouped together into categories. As a result of this treatment, a total of 27 categories of constructs were obtained. These can be divided into 2 groups i.e. "positive" and "negative" depending on how it was evaluated by the owner-managers. The list of groups of constructs in each category are presented in Table 7.2.1 and Table 7.2.2 respectively.

Table 7.2.1: Frequency And Type of Negative Constructs Elicited From Two Groups Of Managers.

Constructs Category		NInt	Int	TFr	Rank
1.	Ability to respond to need	10	4	14	1
2.	Unsure of services rendered	12	1	13	2
3.	Independence	8	5	13	2
4.	Time consuming/Slow reaction	7	5	12	3
5.	Self Confidence	6	6	12	3
6.	Implicit knowledge of business	7	4	11	4
7.	Cost of Provision	7	4	11	4
8.	Relevance to specified needs	8	1	9	5
9.	Interruption to business	5	4	9	5
10.	Unfamiliar/Somebody we don't know	7	1	8	6
11.	Practicality/Lack practical value	8	-	8	6
12.	Competency in business	5	2	7	7
13.	Lack time to attend	5	2	7	7
14.	Non-continuous	3	1	4	8
15.	Revealing own weaknesses	2	2	4	9
16.	Need for Control	2	-	2	10
17.	Loyalty/Trustworthiness	2	-	2	10
18.	Personal Pride	2	-	2	10
19.	Unavailability of support staff	1	1	2	10
20.	Problem of communication	2	-	2	10
21.	Age	1	-	1	11
22.	Time to recoup costs	1	-	1	11
		111	43	154	-

Note: NInt = Non-Interested Group; Int = Interested Group
TFr = Total Frequency

As shown in Table 7.2.1, the information on each construct groups were presented in four columns. The first and the second columns show the frequency of each construct mentioned by the "Non-Interested" and the "Interested" managers, respectively. The third column shows the total of column 1 and column 2 while the fourth column indicates the ranking of the constructs in terms of frequency.

Generally, as expected, it was observed that the Non-Interested group was more negative than the Interested group in their views of education and training. Out of the 154 negative constructs, 111 were given by the Non-Interested group. The difference between the two groups was particularly significant in 5 categories i.e "(1) Ability to respond to needs, (2) Unsure of services provided, (8) Relevance to specified needs, (10) Unfamiliarity and (11) Practicality (refer Table 7.2.1).

Table 7.2.2: Frequency And Type Of Positive Constructs Elicited From Two Groups Of Managers.

Constructs Groups	NInt	Int	TFr	Rank
1. Source of Independent advice	11	5	16	1
2. Access to new knowledge	6	9	15	2
3. High level of technical expertise	6	6	12	3
4. Long term benefit to business	1	5	6	4
5. Widen Network of Business Contact	1	3	4	5
Total	25	28	53	-

Note: NInt = Non-Interested Group; Int = Interested Group
TFr = Total Frequency

However, it can be seen (Table 7.2.2) that the Interested respondents were not significantly different from the Non-Interested owner-managers in their positive views of education

and training. As displayed in the table, the number of positive constructs provided by the Interested and the Non-Interested group was 28 and 25 respectively. This suggested that the two groups differed in their negative attitudes but not in their positive attitudes. If the actions of the two groups differ, then, given the similarity of the negative constructs, the difference must be related to the negative attitudes related to training.

7.2.1A Categories Of Constructs

For the purpose of objectivity, the construct groups listed in Table 7.2.1 and Table 7.2.2 were clustered together into 6 and 1 construct categories respectively. This was done by a third party who inspected the total set of constructs, sorted them and allocated those which appeared to be similar into one cluster. The list of positive and negative constructs categories and its various sub-categories are as shown in Table 7.2.3.

7.2.1B Examination of Negative Constructs

As we shall see in Table 7.2.3, the most quoted 'negative' construct which represented the main concern of the owner-managers, was 'Credibility of Training Providers'. A total of 42 elements in 5 related sub-categories were included in this category. A detailed breakdown of constructs included in each sub-category is listed in Table 7.2.4 below.

Table 7.2.3: List Of Group of Constructs In Categories

a) Constructs Category (Negative)

1. Credibility of Training Providers

- a) Ability to respond to needs
- b) Implicit knowledge of business
- c) Practicality
- d) Competency in business
- e) Problem of Communication

2. Personal Needs And Desires

- a) Independence
- b) Self Confidence/satisfaction
- c) Revealing Own Secrets
- d) Loyalty/Trustworthiness
- e) Need for Control
- f) Personal Pride

3. Characteristic Of Training Programme

- a) Time consuming
- b) Interruption to business
- c) Relevance to need
- d) Continuity

4. Knowledge Of Provision And Provider

- a) Unsure of services rendered
- b) Unfamiliarity//Somebody

5. Financial Factor

- a) Cost of Provision
- b) Time to Recoup Cost

6. Other Contingent Factor

- a) Lack of Time to Attend
- b) Unavailability of Support Staff
- c) Age

b. Constructs Category (Positive)

1. Benefits Of Training

- a) Source of independent advice
 - b) Source of new knowledge
 - c) High level of Technical Expertise
 - d) Long term benefit to business
 - e) Widen Network of Business Contact
-

Table 7.2.4: Credibility Of Training Providers.

=====		
Construct Group	NInt	Int
a)Ability to respond to needs	10	4
b)Implicit knowledge of business	7	4
c)Practicality	8	-
d)Competency in business	5	2
e)Problem of Communication	2	-

Total	32	+ 10 = 42

On top of the list was the "Ability (of training) to respond to needs". The owner-managers have serious reservations about the ability of training to provide solutions to their problems. This lack of confidence in training tends to be related closely with the second, third and fourth constructs, all of which indicated lack of admiration for trainers and training providers. Not surprisingly, these negative feelings were more frequently reported by the Non-interested group. As shown in Table 7.2.4, out of the 42 elements elicited, 32 were accounted for by this group. However, the fact that these constructs were also reported by the Interested group, indicated that these negative views are widespread within the small businesses sampled. Further, the finding clearly showed that the owner-managers perceptions of the "credibility of training provisions and its' providers" have serious consequences on their interest. It is therefore of utmost importance that this "credibility gap" be removed before any sizable increase in the number of persons who are interested in training can be expected.

The second most important category was 'Personal Needs And Desires' of the owner-managers (Table 7.2.5). On the top

of the list was the need for "independence" from others and "personal satisfaction". However, it was observed that no significant difference exists between the two groups. Nonetheless, in general, the Non- Interested group produced more constructs compared to the Interested group. As displayed in Table 7.2.5, the last three needs were reported only by the Non-Interested group. This finding implied that these "personal needs" are more explicitly recognised within the group.

Table 7.2.5: Personal Needs And Desires

=====		
Construct Group	NInt	Int
1) Independence	8	5
2) Self Confidence/satisfaction	6	6
3) Revealing Own Weaknesses	2	2
4) Loyalty/Trustworthiness	2	-
5) Need for Control	2	-
6) Personal Pride	2	-

Total	22	13 = 35

The next category is the "characteristics of training provisions". As shown in Table 7.2.6, a total of 34 constructs was included in this category. The most frequently quoted was "time consumption", indicating owner-managers concern for the need for speed in their day-to-day management of the business. This concern for time tended to be associated with the second construct "Interruptions to business". The respondent owner-managers were worried that the normal operation of their business would be interrupted if they attended training. This is true if courses are too long. It is not unreasonable to expect that this problem would be more acute in the smaller firms where no back-up staff is available. As observed from

Table 7.2.6, both the Interested and the Non-Interested group were almost similar in these views and the category did not distinguish them. This finding suggested that what the small business owner-managers wanted are "courses which are not very demanding on their time". It is therefore the duty of the providers to meet this need of their customers.

However, some managers interviewed indicated that they were willing to sacrifice their time if courses were relevant to their needs. This admittance can be viewed in two ways. In the first instance it raises the question of the value of training. The question is "Is it worthwhile for them to spend time in education and training". The answer seemed to be affirmative provided that the training attended is relevant to their needs. Unfortunately, in terms of the second, many respondents believed courses currently on offer to the small business community lack "Relevance to (their) needs". Regardless, as shown in Table 7.2.6, significant differences between the two groups were observed with regard to the question of "relevance". The question was mentioned eight times by the Non-Interested group, suggesting that they are highly skeptical of the relevance of training to their needs. On the contrary, the result showed that the Interested group were convinced that training is relevant. This finding tends to indicate that it is not so much the question of "relevance" but, as was highlighted in the analysis of the main questionnaire, was more of a 'communication problem'. It tends to indicate that there is a serious communication breakdown between training providers and the Non-Interested group with regard to training. Serious efforts need to be made by the providers to remove this barrier.

Table 7.2.6: Characteristics Of Training Provision

Construct Group	NInt	Int
1)Time consuming	7	5
2)Interruption to business	5	4
3)Relevance to need	8	1
4)Non-Continuous	2	2

Total	22	12 = 34

Further evidence of this communication problem can be seen in Table 7.2.7. 13 respondents, of which 12 were from the Non-Interested group, indicated that they were 'unsure of the (type of training) services' provided for them. This predicament might be due, partly, to the lack of information provided by providers regarding the training being offered to the small businesses. Many interviewees, specifically those in the Non-Interested group, were unaware of any training courses on offer. Some evidence of this was found during the interviews where a number of respondents admitted they had no knowledge of any training courses on offer. However, this lack of knowledge also indicated "ignorance" on the part of the owner-managers resulting from their lack of interest in education and training. Another reason for this occurrence, similar to that offered by Tait (1), is the difficulty of linking between business problems and the "remedy" that training could offer. This process of linking between "problems" and training is not an easy task. Thus, it is not unreasonable to say that the problem is a result of the owner-managers' inability to identify what their needs are. As one respondent puts it, "it is easier to hire a new staff or call in an expert to deal with the problem rather than go for training".

Table 7.2.7 Knowledge Of Provisions And Providers

Construct Group	NInt	Int
1) Unsure of services rendered	12	1
2) Unfamiliarity	7	1

Total	19 +	2 = 21

The second sub-category was 'Unfamiliarity'. The Owner-managers admitted that they felt more at ease discussing their problems with somebody whom they "knew" or were "familiar" with, such as their own employees, other managers, business contacts, or consultants. They knew in advance which person to go to and what could be expected of them, thus they were able to plan their action accordingly. However, as opposed to these group of people, trainers or training providers ranked very low in the list of persons whom they knew. Accordingly, it is highly unlikely that the services provided by them will be high on the small business owner-managers' agenda. This result again showed the need for a more aggressive marketing strategy to attract the small business to participate in training.

The fifth category shown in Table 7.2.8 was 'financial factors'. This construct category comprises two construct groups which represented owner-managers concern about the cost of attending training. However, a number of the owner-managers interviewed asserted that cost is not a major deterrent for them to participate in training courses. They were willing to pay the cost if the courses offered are considered relevant to their needs. The evidence suggested that the concern was not on the cost itself but more in terms of the cost-benefit of training or "value for money". Owner-managers would not hesitate to take part in training if they were convinced of

its benefit. This finding again reflected skepticism of the value of training among the small business community.

Table 7.2.8 Financial Factors

Construct Group	NInt	Int
a) Cost of Provision	7	4
b) Time to Recoup Cost	1	-

Total	8 +	4 = 12

The final category "Other Contingent Factors" comprises of 3 construct groups (Table 7.2.9). The first and the most frequently quoted construct was 'Lack of Time to Attend Training'. Time Factor was contended to be one of the major factors affecting the uptake of education and training courses within the small business community. Generally, the findings of this study tends to provide proof of this. However, as indicated in the table, time is not a major obstacle to the owner-managers sampled. It was quoted only by about one third of the respondents interviewed.

Table 7.2.9: Other Contingent Factors

Construct Group	NInt	Int
a) Lack of Time to Attend	5	2
b) Unavailability of Support Staff	1	1
c) Age	1	-

Total	7 +	3 = 10

Nonetheless, it must be reiterated that the concern for time is closely related to the second construct sub-category, the "Unavailability of Support Staff". The owner-managers

would be able to take courses if he had someone to turn to, to look after the business while he was away on training. Based on this information it was felt that further research in this direction, perhaps with a larger sample size, could provide a more supportive result.

7.2.1C Examination of Positive Constructs

The 5 positive constructs provided by the respondent owner-managers can be grouped together into one category, that is, the "Benefits Of Training". The list of constructs included in this category are as shown in Table 7.2.10.

Table 7.2.10: Benefits Of Training

=====		
Construct Group	NInt	Int
a)Source of independent advice	11	5
b)Access to new knowledge	6	9
c)High level of Technical Expertise	6	6
d)Long term benefit to business	1	5
e)Widen Network of Business Contact	1	3

Total	25	28 = 53

As the topic suggested, the constructs included in this category represented the advantages of training perceived by the owner-managers. Heading the list was the appreciation of training as a "source of independent advice". It was observed that the construct was more frequently mentioned by the Non-Interested group. On the other hand, the 'Interested' managers were more inclined to value training more in terms of a source of 'New Knowledge'. This seemed to imply that a continuous desire to improve and develop one's skill is deeply instilled

in the values of these managers.

It was observed that the two groups were not significantly different in their views on the remaining 3 constructs. Despite this result, the Interested group showed higher appreciation on all the three constructs. Further research could be carried out to identify if this trend would be repeated on a larger small business sample.

7.2.2 Further Information On Areas of Interest for Future Training

As indicated earlier in the introduction to this thesis, one of the objectives of this study was to identify the current management training needs of the owner-managers sampled. The research design used was to compare the rank order of educational topics obtained from the Main Survey with the list of topics obtained from the Repertory Grid Interviews. Thus, in addition to collecting information regarding the factors which affected owner-managers interest in education and training, information on training topics which were of interest to the owner-managers, was also acquired during the Repertory Grid Interviews. This approach was used to ensure that all topics which are relevant and needed by the owner-managers would be included in the final list. Further, it would also act as a means of validating or rejecting the priori list used in the questionnaire.

The list of educational topics of interest elicited during the Repertory Grid Interviews are as shown in Table 7.2.11.

Table 7.2.11: Topics Of Interest For Future Training Elicited From Repertory Grid Interviews.

Topics of Interest	Frequency mentioned
Business Management	8
Financial Management	7
Contract Administration	5
Pricing/Estimating	4
Site Management	3
Getting the Job/Sales	2
Office Administration	2
Safety And Health	2
Accounting	2
Work/Employee Supervision	2
Quality Control	1
Production Scheduling	1
Coordinate Sub-Contractors	1
Time Management	1

Table 7.2.12 shows the contrast between educational topics elicited from the Repertory Grid Interview with those obtained from the main Questionnaire.

Table 7.2.12: Comparison Of Educational Topics Of Interest For Future Training.

List of Topics From Main Questionnaire.	Rank	Identical Pair From Repertory Grid Interview
Production Planning & Control	1	Production Scheduling
Site Organisation	2	Site Management
Employee Supervision	3	Employee Supervision
Cost Control	4	
Business Planning	5	Business Management
Working Capital management	6	Getting the Job/Sales
Health & Safety	7	Safety And Health
Quality Control	8	Quality Control
Estimating & Costing	9	Pricing/Estimating
Financial Planning	10	Financial Management
Productivity Control	11	
Contracts Management	12	Contract Administration
Tax Planning	13	
Plant & Material Control	14	
Understanding Financial Statement	15	
Leading & Managing People	16	
Accounting	17	Accounting
Land Acquisition	18	
Market Analysis & Planning	19	
Communications	20	
Dealing with People/Authorities	21	
Loan Packaging	22	
Industrial Relations	23	
Insurance & Risk Management	24	
Public Relations	25	
Advertising & Promotion	26	

In comparison, it was observed that the list of topics

obtained from the Repertory Grid Interview and those which were obtained from the main Survey are almost identical. With the exception of Time Management and Co-Ordination Of Sub-Contractors, all topics obtained from the Repertory Grid Interviews are similar to that listed in the priori list (used in the Survey Instrument). This result suggested that the priori list is valid. In terms of ranking of the topics (Table 7.2.12), no significant differences between the two lists was observed. Based on this result, it is not unreasonable to conclude that the ranking of topics of interest obtained from the Survey represents the training needs of the small business sampled in this study.

Further, it was observed from the table that, with the exception of four topics, that is, Getting the Job/Sales, Office Administration, Co-Ordination of Sub-Contractors and Time Management, all the other topics were included in the 15 most needed topics. This finding suggested that, although a variety of needs for education and training exists within the small building firm sector, certain specified needs can generally be identified.

7.2.3 Other Observations From The Repertory Grid Data

As an extension to obtaining the requisite information, which was analysed earlier, a general inquiry regarding factors which affected training participation among owner-managers was also made with each participant at the end of the Repertory Grid interviews. Initially, this researcher was

uncertain whether this inquiry should be included, since it would put further demand on the interviewees' time. However, on balance, it was thought that the advantage outweighed the disadvantage. The inclusion of this inquiry has proved to be very worthwhile and rewarding in terms of providing further support to the findings of this study.

The first inquiry made reads "What do you think are the reasons why owner-managers of small firms not very keen on taking part in training?. A generous amount of responses was received as a result of this inquiry. Table 7.2.12 showed the actual reasons given by the owner-managers, ranked in terms of frequency it was mentioned. It is interesting to note that the reasons given by the owner-managers, as displayed in the table, bears some similarity to the list of constructs shown in Table 7.2.1. Although this result was expected, it has provided further testimony with regard to factors which shape and influence owner-managers interest in and appreciation of education and training.

As seen from the list (Table 7.2.13) many of the reasons given are related to owner-managers perception of training provisions and training providers. The issue of "practicality" or "relevance of training", "quality", and "cost", for example, showed clear proof of this. The second important argument against training seems to be situational related, for example No time, Nature of Work, etc. However, it is recognised that much of the remaining were personal factors, those which originate from or which represents the idiosyncratic qualities of the owner-managers themselves.

Table 7.2.13: Perceived Reasons For Not Taking Training

Description	Frequency
No Time	14
Practicality/Relevance To Need of Business	9
Perception Of Benefit/Quality	6
Nature Of Job (Need to attend to business)	6
Unaware of Training Provision/Lack Of Advertisement	5
Cost	4
No Support Staff	3
Unaware Of Need/Don't Feel Any Need	2
Cannot Learn From Book	2
Lack Of Education/ Lack Ability To Learn	2
Dislike Of Education/Attitude	2
Age	2
Attitude - Knew Better Than Others	1
Complacency	1
No Desire To Improve	1
Time Consuming	1
Poor Timing	1
See No Direct Benefit	1
Communication Problem	1
Site Of Instruction	1
Not A Priority Need	1

Subsequent to the questions stated above, the respondents were also asked to suggest means of attracting owner-managers to training. Although the sample respondents cannot be considered to be experts in this respect, the suggestions they provided are worthy of scrutiny since it represents the view of the actual users of training. It is from this standpoint that training is viewed, the view which has placed them in the situation where they currently are. Further it also has the potential of imparting further insight into the reasons why training is conceived of as an unimportant venture.

Table 7.2.14: Means Of Increasing Training Attendance

Description	Frequency
Better Publicity/Advertisement	7
Relevance To Customer Need	5
Better Timing/Scheduling	4
Local Sites	4
Incentives/Grants/Funding	3
Reasonably Priced	3
Better Provision/Quality	3
Short Programmes/Not Demanding On Time	2
More Courses	2
Increase Awareness of Benefit	1
Expert Trainers	1

The response provided by the respondent owner-managers are as shown in Table 7.2.14. Overall, the responses given once again showed a clear indication of a prevailing communication problem between the providers of training and their small business customers. Many owner-managers were unaware of courses on offer and on the other hand providers seems to be incognisant of the needs and desires of their customers. Without disregard to the direct influence of attitudinal factors, a considerable amount of influence are due to the supply side of training, that is, the providers, the trainers and the programmes themselves. The call for improvement is simply too loud to be ignored. Something must be done, and this needs to be done quickly. The confidence and trust must be built up with more appropriate provisions. As one respondent commented "this is the easier way to achieve a remedy, attitudinal barriers can take much longer to redress".

7.2.4 Summary Of Findings Based On The Repertory Grid Data.

Based on the analysis of the Repertory Grid data, the following conclusions can be drawn:

- 1) There is a serious credibility gap between the supply and demand side of training. On the demand side, in general, the small business owner-managers were highly skeptical of the value of training and the contribution of its suppliers. This cynicism is further increased by the lack of communication between the suppliers of training and

their small business customers. There is evidence to suggest that information on training is largely lacking or not reaching the group which needed it most, those in the Non-Interested group. More effective marketing efforts are undoubtedly needed to bring this group closer to training and to convince them of the benefits that training can offer.

2) Seven major elements have emerged as critical factors which shape and influence the owner-managers interest in and appreciation of education and training. These are as follows:

- a) Owner-managers attitude to education and training, in particular, their perception of the credibility of training providers and training provisions.
- b) Personal needs and desires of the owner-managers in term of need for independence, need for control, self-confidence, personal pride and self esteem.
- c) Characteristics of training programmes, in particular their relevance to the specified need of small business.
- d) Limitations due to characteristics of the owner-manager, specifically their lack of formal educational qualifications.
- e) Owner-managers lack of awareness of training on offer and the lack of knowledge of what type of training they required.
- f) Cost of training, measured in terms of 'value for money' rather than cost per se.
- g) Shortage of resources, particularly time and support

staff.

- 3) 10 areas of interests for future training has emerged from the analysis. It was observed that the areas of interests were almost identical to the 10 highest ranked topics obtained from the main survey. This finding tends to provide support for the validity of the latter.
- 4) The results of this analysis has also shown that Suppositions 1 and 2 of this study were true. The response of owner-managers to training and the value and interest that they placed on education and training were strongly influenced by their personal needs, the needs of the business, as well as the quality of training programme and the credibility of the provider.

7.3 Analysis Of The Personal Project Data

As stated earlier in Chapter 5, the purpose of the Personal Project technique was "to enable conflicts between the activities and priorities" of individuals to be examined. Given the diverse range of activities that small business owner-managers are involved in, it would be interesting to understand how decisions were made in terms of setting priorities to each of these activities. Thus, in terms of the purpose of this study, important factors which are taken into consideration in this decision making process could be identified and correlated with interest in training.

The following sections present the analyses of the

responses to the Personal Project Questionnaire.

7.3.1 Method Of Analysis

Following Little (2), the data was examined in 2 ways. Firstly, the personal project list was analysed as a self-contained system where measures of association between project dimensions are examined. By examining these associations, answers to questions such as whether, for example, a project's importance is related to its outcome, or if time adequacy is related to stress, can be answered (2). In this analysis, the associations between personal project dimensions will be examined in 4 stages namely Personal Project Profiling, Cross-Correlation between Personal Project Dimensions, Project Cross-Impact Matrix and Factor Analysis. The statistical techniques used are the Chi-Square Test and Factor Analysis. Based on the results of these analyses, a global picture of the personal projects for the total sub-sample and the Interested and Non-Interested groups respectively could be obtained.

Next the data were examined at an individual level to identify individual project norms. In this case each project dimension column was treated as a scale comprising ten items. By calculating the mean column score, it is possible to compare individuals with respect to the characteristics of their project system as a whole. These project dimension mean scores, it was suggested (2), can be used in much the same way as conventional personal scales are used, the difference being that personal project dimension scales categorise an

individual with respect to units of analysis selected and appraised by that person as meaningful and salient in their every-day life (2).

7.3.2 Measures of Correlation between Personal Project Dimensions

In the second part of the Personal Project questionnaire (Appendix C), owner-managers were asked to list 9 of their current personal projects into the "Personal Project Matrix". These projects, which represent some of the activities to be undertaken by each respondent, will be used to extract information in terms of its correlation with interest in training. In addition to these personal projects (projects 1 to 9), Management Training was pre-included in the table as project 10. Thus, in addition to management training, which as a provided project was common to all interviewees, a further 180 projects were elicited from the 20 selected respondent owner-managers.

For ease of analysis these 180 personal projects were divided into categories. To ensure objectivity, a third party consensus selection method was adopted. The name of each personal project was written onto 180 separate cards. These were then given to three colleagues, who individually sorted the cards into various categories depending on how they assessed them. This approach was adopted to safeguard against error of "observer bias". In the first round, some differences were noticed in the categories provided by each individual. However, this difference was sorted out later, in a subsequent

discussion with this researcher. As a result 17 distinct categories of Personal Projects were obtained. The list of Personal Project categories, ranked in terms of frequency, are as shown in Table 7.3.1.

Table 7.3.1: Ranking of Personal Projects in Categories.

Name of Project		Non-Int	Int	T.Fr	Rank
1.	Leisure Activities	7	13	20	1
2.	Improvement to Office Premises	11	7	18	2
3.	Personnel Development	6	11	17	3
4.	Financial Planning	13	3	16	4
5.	Expansion of Business	8	7	15	5
6.	Improvement on Office Facilities	7	7	14	6
7.	Office Administration	3	11	14	7
8.	Sales/Marketing	8	5	13	8
9.	Overall Business Planning	2	8	10	9
10.	Upgrade Equipment	7	2	9	10
11.	Improve Efficiency	5	4	9	11
12.	Improve Image of Firm	6	2	8	12
13.	Maintenance of Projects	3	2	5	13
14.	Property Maintenance	1	3	4	14
15.	Advertising	0	3	3	15
16.	Increase Productivity	1	2	3	16
17.	Widen Business Contact	2	0	2	17
Total		90	90	180	

7.3.2A Personal Project Profiling

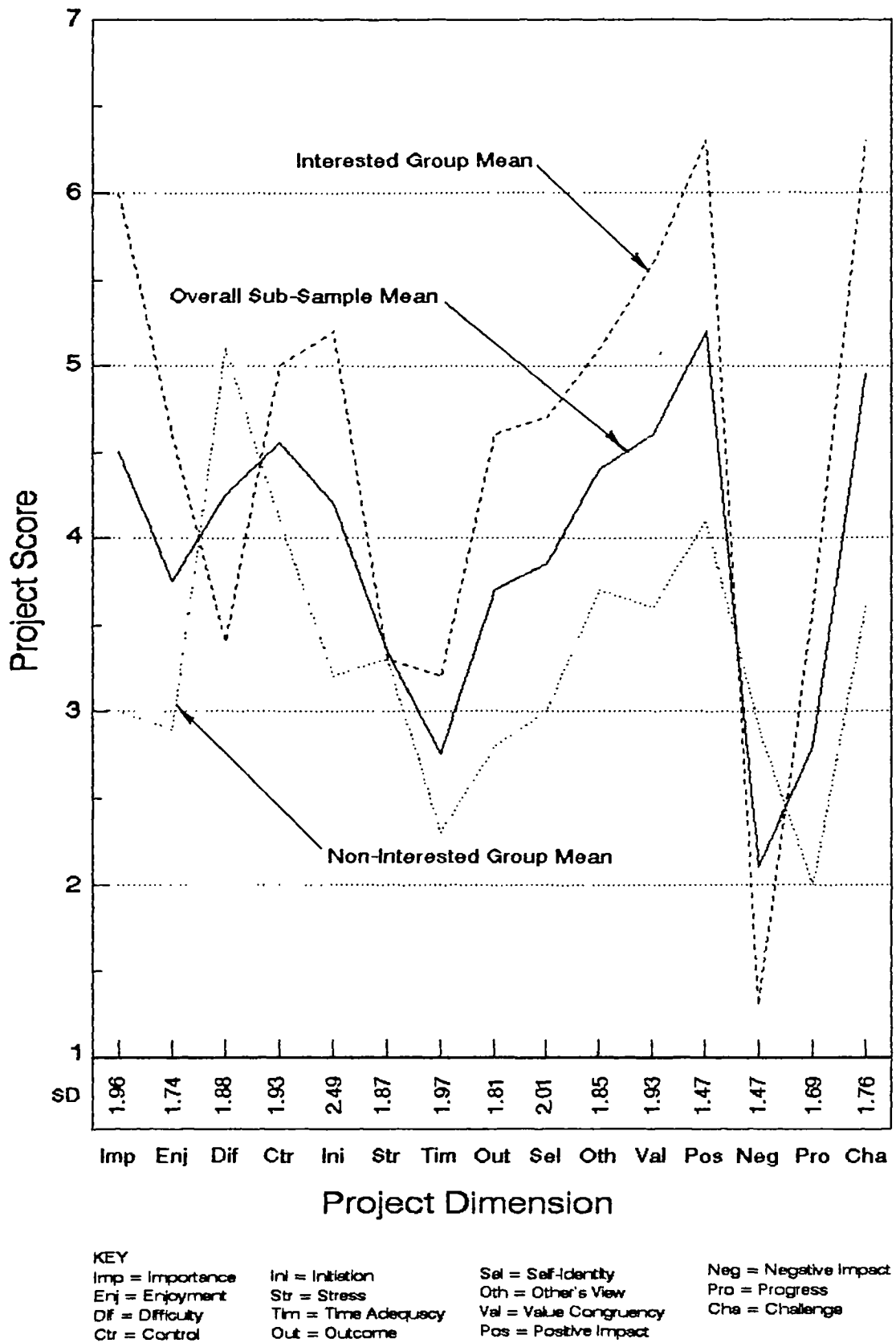
Figure 7.3.1 presents the Personal Project profile for the 20 sample respondents. The 15 Personal Project dimensions (refer Table 7.3.2) were represented by the Y axis while "project ratings" were represented by the X axis. As shown in Figure 7.3.2, the overall project mean was compared with the mean of the two groups. The numbers adjacent to each of the dimensions represents the Standard Deviation (SD) for that dimension.

Table 7.3.2: Description of Personal Project Dimensions

DESCRIPTION OF DIMENSIONS:

- 1. Importance:** how important each project is to you at the present time (use 7 if project is very important to you and 1 if it is not at all important)
- 2. Enjoyment:** how you enjoy working on each project (use 7 if you enjoy it a great deal and 1 if you do not enjoy it at all)
- 3. Difficulty:** how difficult you find it is to carry out each project (use 7 for very difficult and 1 for not difficult at all)
- 4. Control:** how much you feel you are in control of each project (use 7 for a project where you feel you are in complete control and 1 for a project over which you feel you have no control at all)
- 5. Initiation:** how much you feel responsible for having initiated each project (use 7 if you feel fully responsible and 1 if you feel you have taken no part whatsoever in initiating the project)
- 6. Stress:** how stressfull it is for you to carry out each project (use 7 if the project is very stressful to carry out and 1 if it is a very relaxing project)
- 7. Time Adequacy:** how much you feel that the amount of time you spend working on each project is adequate (use 7 if you feel that the amount of time spent is perfectly adequate and 1 if you feel the amount of time you spend working on the project is not adequate at all)
- 8. Outcome:** what you anticipate the outcome of each project to be (use 7 if you think that a project will be extremely successful and 1 if you think the project will be a total failure)
- 9. Self-Identity** how typical of you each project is (use 7 if a project is very typical of you and 1 if it is not at all typical of you)
- 10. Other's view:** how important each project is seen to be by relevant people who are close to you (use 7 if the project is seen by others to be very important and 1 if the project is seen as not important at all)
- 11. Value Congruency** to what extent each project is consistent with the values which guide your life (use 7 if a project is totally consistent with your values and 1 if a project is totally at odds with them)
- 12. Positive Impact:** how much you feel that each project helps the others. Don't worry if it hinders or not, we'll get to them on the next dimension (use 7 to indicate that a project greatly increases your chances of working on other projects and 1 to indicate it does not have any positive effect)
- 13. Negative Impact:** how much you feel that each project hinders other projects (use 7 to indicate that a project seriously hinders your chance of working on other projects and 1 to indicate that it has no negative effect)
- 14. Progress:** how successful you have been in each project so far (use 7 to indicate that you have been very successful and 1 to indicate that you have had no success at all)
- 15. Challenge:** to what extent each project is demanding and challenging to you (use 7 if a project is most challenging and 1 if it is not challenging at all)

Figure 7.3.1: Personal Project Profile Graph For Sub-Sample



A general observation of Figure 7.3.1 showed that the Interested group had secured a higher mean score than the Non-Interested group on 12 out of the 15 dimensions. In terms of the Importance dimension, the figure shows that the group mean obtained by the Interested respondents was 6.00 compared to only 3.00 for the Non-Interested respondents. This was significant at a probability value of 0.002. However, this finding is not surprising. As the results of the Repertory Grid analysis earlier had shown (Section 7.2), ventures in education and training were not high on the agenda of the Non-Interested group.

It was noticed that the Interested group also obtained a higher mean score than the Non-Interested on the Enjoyment dimension ($p=0.03$). In extension to this, a lower degree of project Difficulty was displayed by the Interested group. However, the Chi-Square test result indicated that in spite of this result, the two groups were not significantly different on this measure. Nevertheless, the trend gave some insight into the convictions of these Interested owner-managers with regard to training. In their view, training is enjoyable.

It was noticed that the two groups showed no significant differences in the extent to which the individual owner-manager felt they were in Control (Chi-Square = 1.8) of the projects. However, on the Initiation scale, significant difference was noticed ($p = 0.025$). This result showed that, in contrast to the Interested group, the Non-Interested group perceived a minor role in the Initiation of the project (Management Training). This suggested that the sense of responsibility for having initiated a project is different between the two groups, but the perceived degree of Control

once a project has begun did not differ very much. Despite the lack of significance on the Control scale, there are evidence which suggested that the 'non-interested' respondents possessed a higher "Locus of Control" (3) than their Interested counterpart. The low rating on the Initiation dimension, for example, in itself tends to provide testimony to this proposition. Being an 'Internal' (an Internal person is a person who believed that he is in control of most of the things that happens to him), they are more content at participating in projects which they felt they themselves are responsible for having initiated. A Cross-tabulation analysis of the data indicated that the percentage of Interested and Non-Interested owner-managers who indicated low rating (scores 1,2,3 and 4) on the Control dimension was 30 percent and 60 percent respectively. This trend, although not significant, is interesting and further research in this area is suggested.

It was expected that the level of project Stress may have some effect on the actual undertaking of the project. Based on this proposition it was anticipated that the Non-Interested respondents would obtain a higher mean score than the Interested respondents on this dimension. Nonetheless, the result as shown in Figure 7.3.1 revealed no significant differences between the two groups ($p = 0.121$). A similar result was also obtained on Time Adequacy. This dimension proposed to measure how owner-managers rate the degree of adequacy on "the amount of time they spent on a project" (refer Table 7.3.2). Although the Non-Interested group obtained a lower mean score than the Interested group on this measure, the difference was not significant ($p = 0.60$). The Cross-tabulation analysis indicated that 70 percent and 80

percent of the Interested and Non-Interested owner-managers respectively provided a low rating on this dimension. This finding suggested a general agreement among the groups that they had spent an inadequate amount of time on training.

Significant differences between the Interested and the Non-Interested groups were observed on the following five dimensions i.e. Outcome (0.001), Self-Identity (0.006), Others View (0.007), Value Congruency (0.025), and Positive Impact (0.019). In all these cases, a lower mean score was obtained by the Non-Interested group. This result clearly indicated the appreciation of training among the Interested group and the lack of it among the Non-Interested group.

As expected, the Non-Interested group perceived a higher level of Negative Impact. The mean score for the group was 2.90 compared to only 1.30 for the Interested group. Despite this result, the views between the two groups were not significantly different (0.14). The same was also true with regard to Progress although a higher degree of significance is observed (0.06).

In terms of project Challenge, significant differences were observed ($p = 0.001$). This dimension which measured the degree to which owner-managers rate a project in terms of how challenging it is showed that, in their view, training is a challenging endeavour. This result provided further proof of the appreciation of training among the Interested respondents.

Generally, the result of this analysis seemed to reinforce what might be expected from the two groups of respondents - one interested in training and the other not interested. The findings can be summarised as follows:

1. Owner-managers' evaluation of training, in terms of Importance, Outcome, Self-Identity, Other's View and Challenge are critical factors which affected their interest in future training. Thus, respondents who rated a more positive value of training in terms of these dimensions displayed a higher degree of interest in attending future training.
2. The owner-managers' perceptions of the value of training are influenced by both personality and situational factors. In terms of the former, the findings demonstrated that personality factors such as Self-Identity, Other's View and Value Congruency etc., played an important role. In terms of the latter, *situational reasons* which are attached to training by the respective owner-managers, such as the degree of Importance, the degree of Difficulty and Positive Impact etc. are important.

7.3.2B Cross-Correlation Between Project Dimensions

A Cross-correlation analysis between Personal Project dimensions was performed using the Cross-Tabulation routine of the SPSS-X Programme. The objective of this analysis was to identify significant correlations between Personal Project dimensions which might highlight important features which characterises the two study groups. Tables 7.3.3, 7.3.4 and 7.3.5 displayed the significant probability values (p-value) obtained from the Cross-Tabulation analysis on the whole sub-

sample and the two respondent groups respectively. Because of the number of correlation coefficients generated and the subsequent possibility of spurious significance, a p-value of 0.01 was chosen. Given the small size of population sampled, this higher level of confidence is considered to be both necessary and desirable.

Table 7.3.3: Cross-Correlations Between Personal Project Dimensions For Sub-Sample

IMP															
ENJ															
DIF															
CTR															
INI	0.007														
STR															
TIM															
OUT	0.000	0.003			0.007										
SEL	0.002	0.009						0.000							
OTH	0.002							0.001	0.000						
VAL		0.008						0.003							
POS															
NEG															
PRO								0.010							
CHA									0.007						
	IMP	ENJ	DIF	CTR	INI	STR	TIM	OUT	SEL	OTH	VAL	POS	NEG	PRO	CHA

KEY

IMP = IMPORTANCE
ENJ = ENJOYMENT
DIF = DIFFICULTY
CTR = CONTROL

INI = INITIATION
STR = STRESS
TIM = TIME ADEQUACY
OUT = OUTCOME

SEL = SELF-IDENTITY
OTH = OTHER'S VIEW
VAL = VALUE CONGRUENCY
POS = POSITIVE IMPACT

NEG = NEGATIVE IMPACT
PRO = PROGRESS
CHA = CHALLENGE

Table 7.3.4: Cross-Correlation Between Personal Project Dimensions For Interested Group

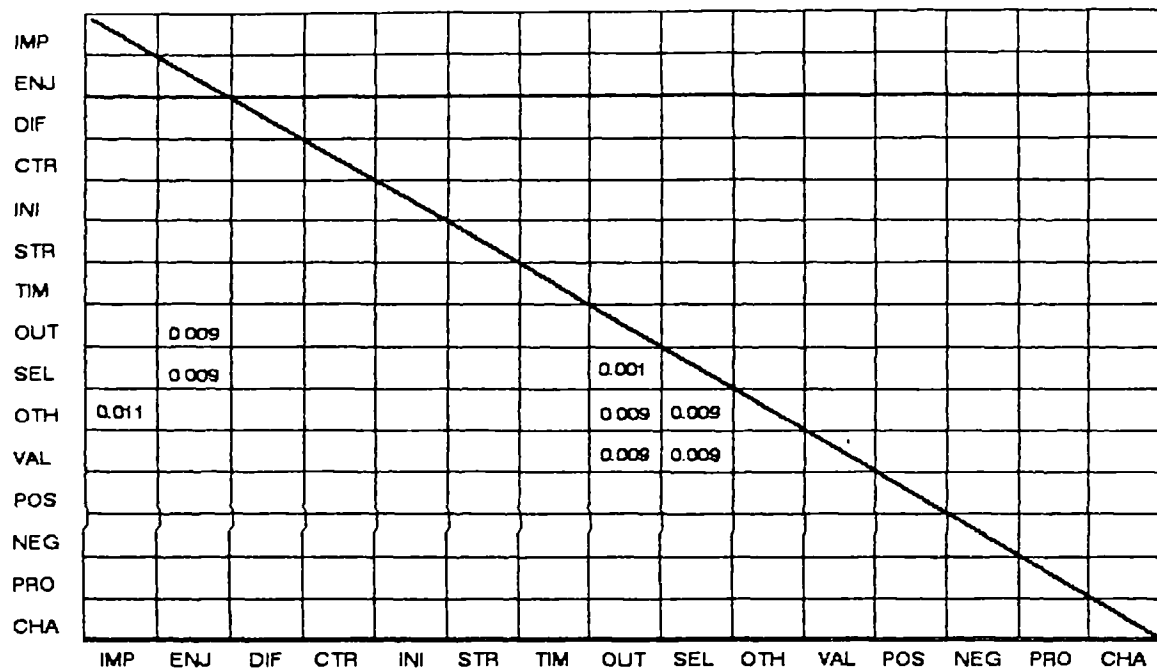
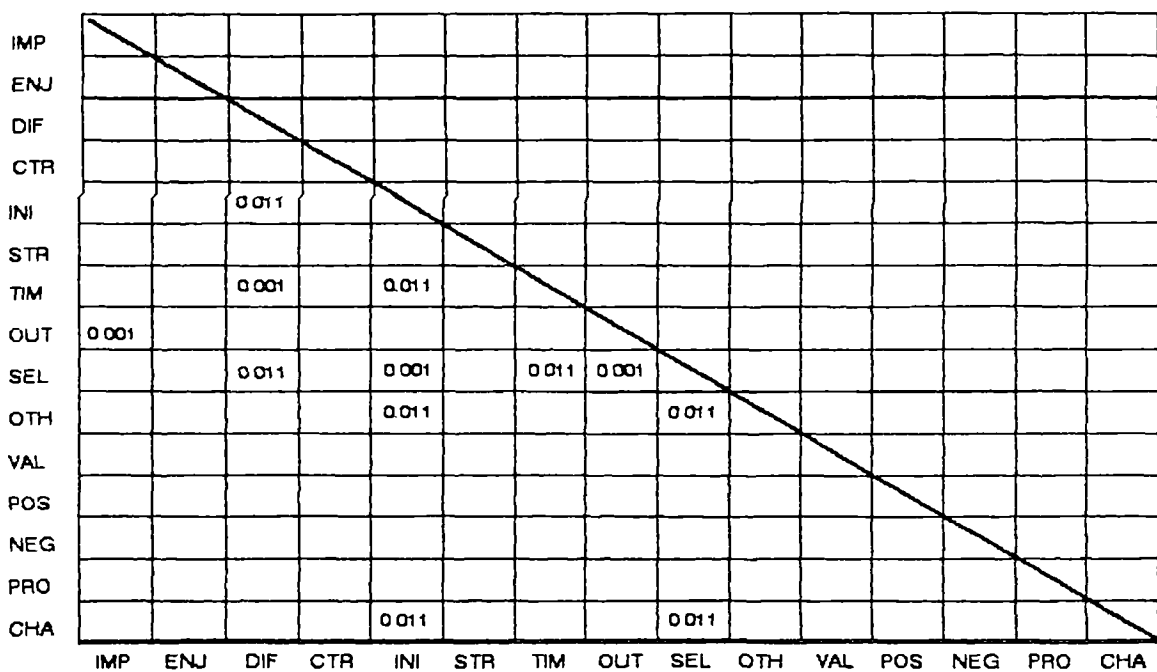


Table 7.3.5: Cross-Correlation Between Personal Project Dimensions For Non-Interested Group



KEY

IMP = IMPORTANCE
ENJ = ENJOYMENT
DIF = DIFFICULTY
CTR = CONTROL

INI = INITIATION
STR = STRESS
TIM = TIME ADEQUACY
OUT = OUTCOME

SEL = SELF-IDENTITY
OTH = OTHER'S VIEW
VAL = VALUE CONGRUENCY
POS = POSITIVE IMPACT

NEG = NEGATIVE IMPACT
PRO = PROGRESS
CHA = CHALLENGE

A general observation of the results, as shown in Table 7.3.3, indicated that Importance, Enjoyment, Outcome, Self-Identity and Other's View emerged as the five most important dimensions. The result suggested that these dimensions are critical in the decision making processes of the owner-manager population sampled in this study. It was observed that all the five dimensions mentioned were significantly correlated with each other, suggesting that they are the integral dimensions which constituted the basic tenet of a project.

In terms of ranking, it was observed that Outcome *appeared to be the most critical consideration*. This was followed by Self-Identity, Importance, Enjoyment and Other's View respectively. The prominence of Outcome was evident from its significant association with 7 different dimensions. As shown in Table 7.3.3, the probability value (p-value) was smaller than 0.01 in six out of the seven cases, suggesting a very strong association between the Outcome and the four dimensions mentioned. In relation to the Importance dimension, a p-value of 0.002 was obtained. Given the direct association between the two dimensions, the higher the project was rated in terms of Self-Identity, the higher it would be rated in terms of Importance. The same was also true with regard to Self-Identity (0.000), Other's View (0.001) and Enjoyment (0.003). Higher rating on these dimensions would be given if a higher degree of Outcome on the project was anticipated.

Despite the above suggestion, it is important to state here that these do not represent a 'cause and effect' relationship, although, as one might suggest, it would be interesting if this 'cause and effect' relationship could be ascertained. However, given that it was beyond the scope of

this analysis, the argument about this issue is not relevant. Nevertheless, as the result indicated and considering the strong link between Outcome and the seven dimensions (Table 7.3.3), it could be concluded that the 'anticipation towards the future success' of a project played a crucial role in the decision making process of the owner-managers with regard to whether or not they will commit themselves to a certain project or undertaking. Thus it was not surprising to find that, with regard to training, the Non-Interested respondents tends to place a lower rating in all the five dimensions mentioned (Outcome, Self-Identity, Importance, Enjoyment and Other's View). As the results of the Repertory Grid analysis showed, they were cynical of the benefits to be realised from any investment in education and training.

As stated earlier, the second most important dimension was Self-Identity. This dimension, which measures how typical a project represents the owner-managers, was found to be significantly correlated with 5 different dimensions. A higher rating on the Self-Identity scale was associated with a higher rating on the Outcome (0.000), Importance (0.002), Other's View (0.000) and Enjoyment (0.009). This findings tends to suggest that the 'representation of self' also played a crucial role in the decision making process of the small business owner-managers. However, significant differences within the two groups was observed with regard to this view.

In terms of Enjoyment, significant relationships were found with Importance (0.007) and Outcome (0.007). This result suggested that the anticipation of future outcome and success of a project, it's acceptance by others, and compatibility with one's own aspirations constitute the major

determinant of projects' appreciation. However, it was noticed that although the views on all four dimensions were consistently comparable within the Interested group (Table 7.3.4), the opposite was observed among the Non-Interested group (Table 7.3.5). This result supported the earlier finding which indicated a higher degree of Enjoyment among the Interested group.

In addition to the 5 dimensions stated above, it was observed that Initiation and Value Congruency are also important to the study sample. With regard to Initiation, significant relationships were found with Importance (0.007) and Outcome (0.007). Given that the value of a project is also closely associated with the last two measures mentioned, this finding is obvious. Thus, for example, if the owner-manager was not convinced of the Outcome of a project, or if it was perceived to be incompatible with his values and needs, he would not be encouraged to initiate the project. Similarly, the Importance of a project or its value would be enhanced if the owner-manager believed that he, in one way or another, was responsible for its Initiation. It was observed that both the Interested and the Non-Interested group was consistent in this conviction.

However, it was very surprising to note that little or no significant correlations were found on three dimensions, that is, Control, Stress and Time Adequacy dimensions. This view was more convincing among the Non-Interested group. More surprisingly, the same was also true of Positive Impact and Negative Impact which, as one might expect, should be closely associated with the Importance measure. This finding tends to confirm the earlier finding which suggested that the owner-

managers have doubts regarding the benefits that he can expect from training. A great deal of effort is needed to convince the small business owner-managers:

Generally, the result of this analysis has provided further testimony of the significance of the following personal dimensions. These are a) **Outcome** b) **Self - Identity**, c) **Importance** d) **Other's View Of Importance** and e) **Enjoyment**. This findings suggested that the anticipation of future outcome and success of a project, it's compatibility with one's own aspirations, the relative importance of a project, it's acceptance by others, and the sense of enjoyment in it's undertaking constitute the major determinant of projects' appreciation.

7.3.2C Project Cross Impact Matrix

The third approach used in measuring the associations between project dimensions was to examine the responses provided on the Project Cross-Impact Matrix (refer Appendix B). As the title suggested, the data in the Project Cross-Impact Matrix represents the owner-managers evaluation of how carrying out one project will affect other projects. In this analysis both the negative and positive impact was considered. Based on this information, the association between project dimensions can be examined.

Table 7.3.6 showed a list of 7 projects which were reported by the owner-managers as having a negative impact on management training. It was observed that, in general, the majority of projects are personal related. Out of the 7

projects, 5 are personal related projects.

Table 7.3.6: Projects Perceived To Have Negative Impact On Participation In Management Training Courses.

- 1)Purchase Land (for building)
- 2)Arrange Holidays
- 3)Build Conservatory
- 4)Paper Work
- 5)Play more Golf
- 6)Buy New Car
- 7)Expand Leisure Activities

However, on subsequent inspection, a clearer picture emerged. It was observed that all the projects listed may be associated with either a heavy "financial" commitment or a high demand on the owner-managers "time". As discussed in Section 7.2, financial reasons were important considerations which influence the owner-managers participation in education and training. This data from the Cross-Impact Matrix provided further testimony for this conclusion.

The first project listed on the table, Purchase Land, requires a heavy financial commitment on the part of the owner-managers. The same was also true for projects 3 (Build Conservatory) and 6 (Purchase New Vehicles). However, as pointed out earlier, this concern for money tends to be more of the "value for money" sort. The monetary value in itself is comparatively less important. The owner-managers "were willing to pay the cost if they were convinced that the investment is a worthwhile one". This indeed is the very remark made by some of the owner-managers interviewed.

Again, as discussed in Section 7.2, Time is also an important factor which influences owner-managers interest and participation in education and training. This importance can

also be seen in Table 7.3.6. All the remaining 4 projects required heavy time commitment from the owner-managers. It is not unreasonable to assume that, due to this reason, owner-managers will be more selective in their choice of projects. Naturally, projects which require long time commitments will be less attractive to the owner-managers. Consistently, as the Repertory Grid findings have indicated, this result tends to highlight the further need for courses to be more appropriately designed. In essence, the actual needs and limitations of the small business customers must be taken into consideration.

In addition to the concern about "value" and "time" as mentioned above, the value of projects in terms of enjoyment is also important. As opposed to training, which was considered unenjoyable, some degree of enjoyment can reasonably be anticipated from all the personal projects given by the owner-managers. This finding tends to demonstrate that project 'Enjoyment' is an important dimension although it was found to be insignificant in the previous analysis (Personal Project Profiling, Section 7.3.2A). Based on this finding, it was suggested that training programmes should be conducted in a more relaxed and enjoyable atmosphere. Thus, the normal classroom type environment is not recommended.

In contrast to the above projects, which have negatively affected the uptake of Management Training, it was reported that Management Training would have an adverse effect on the "Promotion of Firm's Image" and "Cost Control" (Table 7.3.7).

Table 7.3.7: Projects Perceived To Be Negatively Affected By Participation In Management Training Courses.

- 1) Promotion of Firm's Image
- 2) Cost Control

In the "promotion of Firm's Image", it would be very difficult for a laymen to comprehend how Management Training could have a negative affect on the "Promotion of Firm's Image". However, it might not be unusual within the small business owner-manager population. In fact, as was suggested in the small business literature, to seek external advice means admitting one's weaknesses in the eyes of the small businesses. Consequently, this admission of failure, revealed that they are not infallible as they are supposed to be. Thus, in a similar manner, to participate in a training course, means that their infallible status cannot be preserved. Nonetheless, as the number of responses indicated, this was an extreme case.

With regard to the "Cost Control" project, the owner-managers concerned perceived that paying for the cost of training would affect their cost control programme. This result can be seen in two ways. Firstly, it may be viewed as a concern for "value for money" as mentioned earlier. Alternatively, it can be taken as an expense in real monetary terms. However, with regard to the second, it must be cautioned that this claim was made by only one respondent. It does not represent the general view of the sample respondents.

In conclusion, the analysis on the Project Cross-Impact Matrix has highlighted 2 important factors which affected the educational interests of the small business owner-managers.

These are "Time" and "Value For Money". The findings suggested that the owner-managers evaluation of training in terms of "time commitment" and "value for money" also influence their decision on training participation. It was also found that the sense of "enjoyment" and the perceived "acceptance" of training by others was also important. However, with regard to these latter factors, further research is needed to validate the result.

7.3.2D The Factor Analysis

A Factor analysis was performed on the Personal Project data using the Factor Analysis routine of the SPSS-X Programme. This analysis was used to highlight any significant relationships between the personal project dimensions. Again, as in the last section, the analysis looked into the differences and similarities between the two study groups. A general observation of the whole sub-sample was made first, then the important factors which emerged from the analysis were examined separately for the Interested and the Non-Interested groups.

Table 7.3.8 displays the four Rotated Factor Matrix extracted for the whole sub-sample of this study. As shown on the table, Factor 1 seemed to represent the owner-managers' "Self-Evaluation" of projects. It was observed that a close correlation existed between five "evaluative measures" that is Enjoyment, Outcome, Self-Identity, Other's View and Value Congruency were closely related. As shown earlier, the small business owner-managers sampled tended to evaluate projects in

Table 7.3.8: Rotated Factor Matrix For Sub-Sample

	Factor 1	Factor 2	Factor 3	Factor 4
Importance	.57283	.65141	.02858	.03931
Enjoyment	.86784	.11479	.06229	.05929
Difficulty	.06013	-.81645	-.15366	.03354
Control	.25095	.04881	-.03593	.86930
Initiation	.24929	.58355	.49567	-.21270
Stress	.13316	-.05308	-.60584	-.58939
Time Adequacy	.35143	.11561	.73817	-.00132
Outcome	.88896	.16215	.17624	.23808
Self Identity	.89411	.17165	.25016	.12485
Other's View	.87890	.10483	.20460	-.06213
Value Congruency	.81976	.22541	.02253	.13453
Positive Impact	.38141	.77213	-.19258	.20284
Negative Impact	-.16266	-.80401	-.26208	.00196
Progress	.79392	.29101	-.05083	-.02783
Challenge	.46169	.64699	-.13040	.25233

terms of its consistency with their specific values and needs. This result tend to provide support for the earlier finding. Thus, it is crucial that this special need of the owner-managers be met in the provisions of training courses. If we compare Table 7.3.8 with Tables 7.3.9 and 7.3.10, some differences between the Interested and the Non-Interested groups can be seen. It was noticed that the evaluation of the Interested owner-managers were more complex than the Non-Interested group who tended to be more modest in their considerations.

Factor 2 represents owner-managers' concern about how significant the project was in comparison with other projects. Prior to committing themselves to a project, the importance of the project, the level of Difficulty anticipated as well as its Positive and Negative impacts on other projects will be assessed. Naturally, priorities will be given to projects which are deemed to be most beneficial and, in the small business, these are projects which are more important in the

view of its owner-manager. These are normally those which can bring direct short term benefit to the business. Thus, ventures such as training, whereby the benefits are not definitely known, will be kept aside.

Table 7.3.9: Rotated Factor Matrix For Interested Group

	Factor 1	Factor 2	Factor 3	Factor 4
Importance	.81004	-.02210	.22043	.34532
Enjoyment	.88199	-.03336	-.13134	.05378
Difficulty	.36009	.78616	.43927	.00386
Control	.35177	.20674	.80535	-.21316
Initiation	.08815	-.04859	.09084	.92819
Stress	.09918	.22720	-.84670	-.34490
Time Adequacy	.21915	-.09261	.17718	.22048
Outcome	.95728	.00488	.23563	-.05462
Self Identity	.92810	-.22363	.23928	.06631
Other's View	.92787	-.06795	.09867	.06338
Value Congruency	.81240	.00744	-.20362	.48480
Positive Impact	.04439	-.31840	.03885	-.00858
Negative Impact	-.08411	.74072	-.02623	-.32609
Progress	.87688	.16530	.02961	-.19506
Challenge	.26446	-.88596	.22260	-.18540

Table 7.3.10: Rotated Factor Matrix For Non-Interested Group

	Factor 1	Factor 2	Factor 3	Factor 4
Importance	-.36251	.80300	-.11906	.15412
Enjoyment	.07898	-.03069	-.10319	.96166
Difficulty	-.25815	-.79655	.03605	.18425
Control	.09671	-.06392	-.03637	.16908
Initiation	.25595	.78341	.34184	.17740
Stress	-.06764	-.17441	.97103	-.12031
Time Adequacy	.87685	.27719	-.08697	-.03626
Outcome	.78485	-.00191	-.37901	.12650
Self Identity	.89519	.02749	.32626	.17158
Other's View	.69186	.05995	.60140	-.13454
Value Congruency	.48755	-.21336	.11608	.69588
Positive Impact	.85101	.20916	.08189	.32163
Negative Impact	-.24726	-.74106	.24824	.19139
Progress	.52021	.34820	-.26628	.35221
Challenge	.06253	.08687	.54333	.43738

Factor 3 and Factor 4 represent owner-managers concern with Stress involved in undertaking a project. In Factor 3,

the Stress was linked to Time Adequacy. Considering the continuous need to attend to business, this result was not surprising. In Factor 4, Stress is linked with Control which is similar to Factor 4 in the Interested group (Table 7.3.10). It was also observed that for the Interested group, Time Adequacy is linked with Positive Impact.

To recapitulate, based on this analysis, the following 3 factors have emerged. Consistent with the previous results, it was observed that the single most important factor which affected owner-managers' perception of importance of and interest in education and training was their own evaluation of its value. This Self-Evaluation was measured in terms of:

- a) Representation of Self (Self-Identity, Value Congruency)
- b) How significant the project is in relation to other projects (Enjoyment, Outcome)
- c) Concern for other's view (Other's View Of Importance)

7.3.3 Analysis of Individual Personal Projects

To identify a normative trend in the responses provided by the owner-managers, an analysis of individual personal projects was conducted. The Interested and the Non-Interested groups were each represented by two chosen owner-managers. The choice of these owner-managers was based on how typical they represent their respective group. In this analysis, the actual score for each dimension reported by the owner-managers on

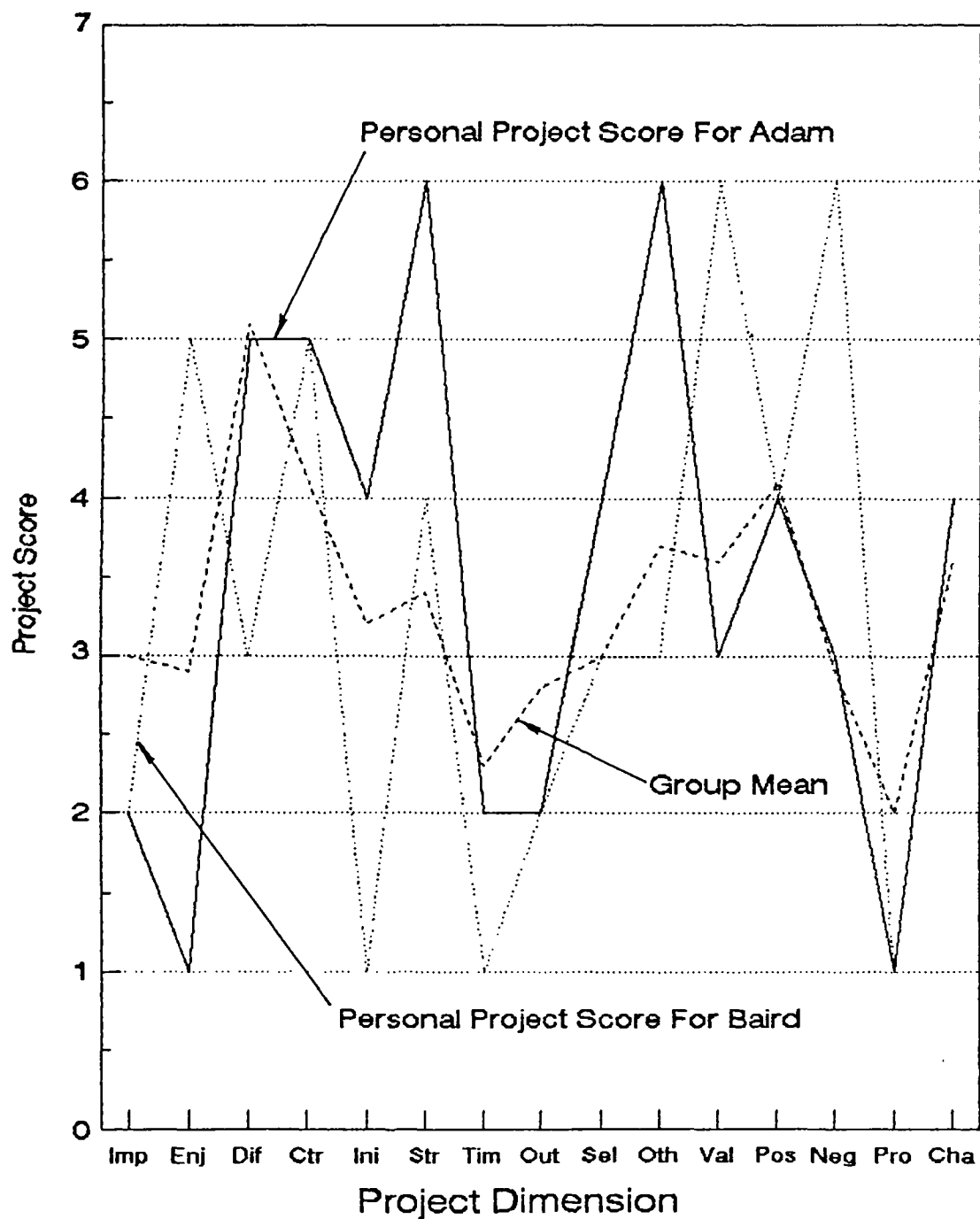
Management Training was compared with the group mean and the overall sub-sample mean. The result and discussion of these data are presented below:

7.3.3A Management Training - The Perception of 'Non-Interested' Managers

Figure 7.3.2 presents the ratings on Management Training provided by Mr Adam and Mr Baird who represented the 'Non-Interested' group. Consistent with the group's view, both managers agreed that Management Training is of little Importance to them. However, surprisingly, an opposite view was reported by the two managers on the Enjoyment scale. Baird indicated a fairly high degree of Enjoyment (5) while the reverse (1) was felt by Adam. One possible explanation for this variation was past 'training experience'. Unlike Baird, Adam had never participated in training before, thus the responses provided by Adam were based on his pre-conceived disapproving view of training, not on actual experience. Not surprisingly, it was noticed that Adam also perceived a higher degree of Difficulty and Stress. This result tended to suggest that actual training experience can make a difference in shaping owner-managers' perceptions of education and training.

Identical responses were noticed on the Control measure. Both managers recognised a higher than average (5) score on the Control dimension. This outcome supported the earlier result which suggested a higher 'Locus of Control' among the 'Non-Interested' respondents. A consistent result was also

Figure 7.3.2: An Example Of Individual Personal Project Dimension For The Non-Interested Group.



KEY

Imp = Importance
Enj = Enjoyment
Dif = Difficulty
Ctr = Control

Ini = Initiation
Str = Stress
Tim = Time Adequacy
Out = Outcome

Sel = Self-identity
Oth = Other's View
Val = Value Congruency
Pos = Positive Impact

Neg = Negative Impact
Pro = Progress
Cha = Challenge

observed on the following 3 measures i.e. Initiation, Time Adequacy and Self-Identity. Nonetheless, some differences existed between the two managers on the Initiation and Stress dimensions. In both of these cases, a significantly lower score was reported by Baird.

Further it was observed that, in terms of the 'Other's View of Importance' dimension, a differing view was displayed. Adam perceived that other managers placed higher importance (6) to the training than he himself did (Self-Identity (4)). This might indicate his awareness of his own lack of concern about training. In contrast, Baird felt that other managers' opinion of training (3) was just about the same as he himself thought it was (2).

An interesting observation was made on the Value-Congruency dimension. Adam indicated that attending management training showed little consistency with his life-values (3). Nevertheless, he felt it was not at odds with it either. Baird, on the other hand, felt that attending training is consistent (6) with the values that guide his life. This realisation of value congruency tends to rationalise the reason for his attendance in training. Alternatively, it might also be considered that this view was a result of his previous training attendance.

As displayed in Figure 7.3.2, a comparable score was given by both managers on the remaining 4 dimensions except the Negative Impact dimension. The score of 4, 1, and 4 was given respectively to Positive Impact, Progress and Challenge. In all three cases the score was lower than the overall mean score. This perception of low value of training consequently resulted in a low interest in training. The high Negative

Impact perceived of training by the two managers tends to further strengthen this lack of interest. However, as seen in Figure 7.3.2, the score given by Baird (3) was not as negative as reported by Adam (6), again suggesting a positive influence of past training attendance on owner-managers perception of value of training.

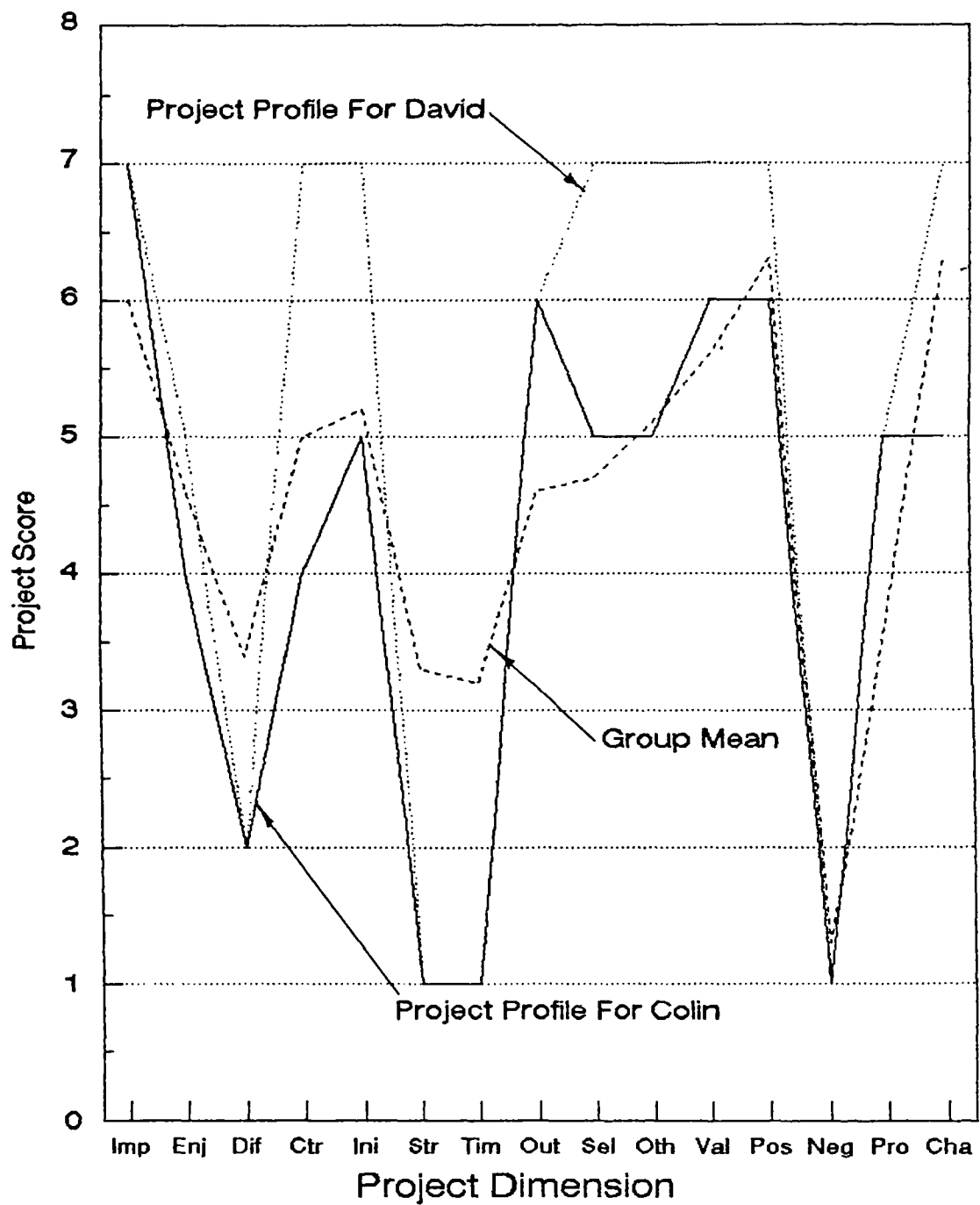
7.3.3B Management Training - The Perception of 'Interested' Managers

Figure 7.3.3 presents the ratings on the fifteen dimensions given to the project, Management Training, by Mr Colin and Mr David who represented the 'Interested' group. It was noted that, in contrast to Adam and Baird, both C and D were of the view that Management Training is an Important venture. Both have accorded the highest rating to the Importance measure. This was consistent with the group's view of the Importance of training. A consistent response was also observed on the Enjoyment and Difficulty dimensions.

However, in terms of Control, an opposing view was observed. David perceived he had the highest degree of Control while Colin reported a slightly lower than average score. It was not known what had caused these significant differences.

In terms of Initiation, both managers tended to agree that they were largely responsible for the initiation of the project. As with Control, David placed a higher score (7) than Colin (5) on this dimension. Identical scores were allotted by Colin and David on the Stress, Time Adequacy and Outcome dimensions. An insignificant degree of Stress (1) and low

Figure 7.3.2: An Example Of Individual Personal Project Dimension For The Non-Interested Group.



KEY

Imp = Importance
Enj = Enjoyment
Dif = Difficulty
Ctr = Control

Ini = Initiation
Str = Stress
Tim = Time Adequacy
Out = Outcome

Sel = Self-Identity
Oth = Other's View
Val = Value Congruency
Pos = Positive Impact

Neg = Negative Impact
Pro = Progress
Cha = Challenge

level of Time Adequacy (1) was indicated by both managers whereas a higher than average Outcome was perceived. This result showed the general agreement among the group in terms of the two measures on training.

Agreement between the two managers can be further observed on the next 4 dimensions namely Self-Identity, Other's Value of Importance, Value Congruency, and Positive Impact. In all the 4 cases referred to, the score allotted for each dimension was higher than the overall mean. However, as in earlier cases, David was more positive in his views. He placed the highest score on all 4 dimensions. Naturally, as one might expect, these 'Interested' managers perceived little Negative Impact of education and training (1). The same can also be said of Progress and Challenge. This outcome suggested that they have a very favourable view of education and training.

Based on the Individual Personal Project analysis, a number of interesting observations were made. The following issues have been highlighted:

1. Managers who are interested in training held the view that training is an important undertaking. Further, they anticipated that training will greatly increase their chances of working on other projects.
2. Managers who are not interested in training or those who had no previous training experience believed that training is a stressful and un-enjoyable undertaking. On the contrary, the reverse was felt

by managers who are interested and those who had attended training.

3. Managers who are interested in training perceived that they are the person responsible for initiating a venture in training.
4. Managers who are interested in training or those who have had previous training experience perceived that taking training is consistent with the values that guide their life.
5. Managers who are not interested in training perceived that any participation in training will hinder their chances of working on other tasks.
6. Managers who are interested in training commended training as a challenging venture to be involved in.

7.3.3 Summary Of Results Based On The Personal Project Data.

Mentioning only the more important findings, the following summary can be made based on the preceeding analyses.

- 1) Owner-managers response to training are strongly influenced by their perception of the value of training.

- 2) Five Personal Project dimensions has emerged as critical factors in owner-managers evaluation of education and training. These are; Outcome, Self-Identity, Importance, Other View of Importance and Enjoyment.

Apparently, these findings has provided further confirmation that Suppositions 1 and 2 of this study was true.

CHAPTER EIGHT

SUMMARY CONCLUSIONS AND RECOMMENDATIONS

CHAPTER EIGHT

Summary Conclusions And Recommendations

8.1 Introduction

The general purpose of this study was to provide new and useful information to aid in the design, implementation and marketing of training courses directed at small business owner-managers. Specifically, the research aimed to answer 3 fundamental questions; "What are the current interests of owner-managers of small building firms?"; "What are the factors which shape and influence their perceptions of need and interest in education and training?"; and "What are the current training needs of these managers?"

Data were collected from a sample of owner-managers of small building firms within the Central Belt of Scotland. 3 methods of data collection namely the Postal Survey technique, the Repertory Grid Interview and Personal Project Analysis Method were utilised. The analyses of data were performed using the Statistical Package for the Social Sciences (SPSS-X).

8.2 Summary Relating The Suppositions Of The Study

Based on the evidence found in the literature, four research suppositions were forwarded in this investigation. This summary presents the findings determined from data gathered from the small business owner-managers sampled.

Supposition 1 reads;

The response of owner-managers to training programmes would be strongly influenced by their perceptions of their personal and business needs.

The evidence, as discussed earlier, has shown ample support for this supposition. Both the owner-managers perceptions of their personal needs, as well as those required by their businesses, have emerged as influential factors which affected their attitude to education and training.

Supposition 2 reads;

The value placed upon and interest in training opportunities presented by owner-managers were influenced by their perceptions of the quality and the content of training programmes together with those persons presenting the programmes.

This supposition which was intended to highlight the importance of the quality of training programmes and the approach adopted by the training providers in presenting these programmes is also supported. However, the results of this study tended to suggest that the second factor, that is, the persons presenting the programmes, is more important.

Supposition 3 reads;

Interest in training was motivated by the pattern of understanding by owner-managers of their personality, their past education, their length and type of experience, the relative success of their businesses and their previous training experience.

The analyses of data, in particular, the analysis of relationships made on the responses to the Main Questionnaire, has shown strong support for this supposition. Significant correlation between the level of interest in education and training held by the owner-managers and the factors mentioned has been found.

In relation to Supposition 4, it was generally agreed from the literature review, and was supported by the responses of the owner-managers sampled that;

A clear understanding of the small business owner-managers' needs for training is essential in establishing a better means of the designing and delivering of particular knowledge and skills.

The evidence obtained from this study has shown that the needs and desires of the owner-managers are critical factors which will determine their future participation in education and training courses. These needs and desires must, therefore, be taken into consideration, particularly, in relation to the designing and delivering of courses. The way forward is to identify, within a certain target market, what the specific needs are, and then plan the courses accordingly.

8.3 Summary of the Results

This summary of findings centers around the three research questions of the study. The research questions are; "What are the current interests of owner-managers of small building firms?"; "What are the factors which shape and influence their perceptions of need and interest in education and training?"; and "What are the current training needs of these managers?"

Mentioning only the more significant findings, the following general comments can be made:

8.3.1 Educational Interests of Owner-Managers

The purpose of the first question was to identify the interests of the owner-managers of small firms in attending education and training programmes. The results of the analyses showed that a variety of interests in education and training exist within the population of small building firms of the Central Belt of Scotland. However, in general, the level of interests demonstrated by the owner-managers is lacking and a larger segment of the population was either not interested or were apathetic with regard to taking part in education and training courses. Despite this result, the data showed that, a smaller but significant segment of the population exhibited a higher degree of interest. Within this group, a more positive perception of education and training was observed.

8.3.2 Factors Affecting Educational Interests

The second research question sought to identify the factors which determine the perception of needs and interests in education and training held by the small business managers. Based on the analyses, seven major factors have emerged. These are summarised as follows:

a) Owner-Managers Self-Evaluation Of Training

The results have shown that owner-managers evaluation of education and training is an important factor which affected their interests and probable participation in education and training courses. It appeared that these evaluations were measured in terms of Importance (e.g. how important it is in relation to other actions?); Self-Identity (how much it is representative of self); Outcome (e.g. how relevant it is in meeting a specified need); Other's View of Importance (Concern for others view) and Challenge (how demanding or challenging is it to take such an action?).

b) General Attitude Towards Education And Educational Establishments

It was generally agreed from the literature review, that there exist a general distrust for formal education and training within the small business community. The

findings of this study had confirmed that this was true. The owner-managers studied did not place a great deal of importance on external training courses. They were more likely to use their own peers, that is, their close contacts, friends, and business associates, in obtaining new knowledge and skills, as well as learning by doing rather than seek out training opportunities.

Serious doubts about the benefit of training and the capability of its providers to furnish the help they need has been raised. Generally, in the owner-managers view, training providers and trainers lack credibility compared to those perceived to be possessed by their peers. This credibility gap tended to be more critical among owner-managers who indicated little or no interest in education and training.

c) **Personality Characteristics And Personal Needs**

Personality characteristics of the owner-managers also emerged as an influential factor in determining their attendance or non-attendance in training. The desire for independence, the projection of self-image and self-confidence seemed to be fundamental in the considerations of many small business owner-managers surveyed. The results also suggested that owner-managers who are more 'entrepreneurial' displayed a lower level of interest in training.

d) Limitation Of Resources

In general, the shortage of time to attend training is, by far, the most critical limitation. This issue was more crucial when there are no support staff to take the responsibility of managing the business while the owner-managers are away on training. A majority of small business owner-managers expressed their worries that business activities would be interrupted or might be stopped as a result of attending training.

There was also some concern regarding payment of large sums of money for training. This concern, however, was less significant if the training in question was viewed by the owner-managers to be relevant to their need (concern for cost-benefit or value for money). Nevertheless, many owner-managers tended to be more concerned with investing money in activities that seemed to provide direct return in terms of output and meeting short term business needs. This drawback poses a dilemma for activities which yield no immediate benefit, such as education and training.

e) Limitation due to lack of formal education.

The lack of formal educational qualifications possessed by the small business owner-managers was also a salient factor which affected their interest in education and training. Their lack of experience of formal education and their unfamiliarity with the benefit

that they might obtain from formal education tended to arouse suspicion in themselves of structured education and training institutions.

f) Unawareness of training on offer

The data of this study suggested that there was a problem of communication between the training providers and their small business clients. The evidence of this communication problem became apparent during the interviews when a significant number of managers interviewed indicated little or no knowledge of any training offered for them. This finding tended to suggest that information regarding training is not readily available to the small business owner-managers. In this regard, lack of publicity of training opportunities produced on the part of the training providers and owner-managers' own negligence of external sources of help tended to be a major contributory factor. Thus, it is not surprising that many of the small business managers seemed unsure of the benefits that they might get from training. As the findings have shown, this problem had serious consequences on owner-managers' interest in education and training.

Further, it was found that some of the owner-managers were unaware of any need for training. This unawareness might be contributed to the lack of skill (to identify needs) possessed by the owner-managers and the absence of skilled staff to identify training needs and

to relate business problems to these needs.

g) Obstacles Resulting From The Characteristics Of Training Provisions

Several issues regarding the supply side of training have been raised. The fundamental issue was the relevance of training on offer to what is needed by the small business owner-manager.

Many respondents cast doubt about the relevance of training programmes currently on offer to small businesses. This negative perception of training was more strongly felt by those who are not interested in training. In addition, issues such as unsuitable timing, distance from training sites and quality of provisions are also important.

8.3.3 Educational Needs Of Small Building Firms

The third research question sought to identify the educational needs of the small business owner-managers in four functional areas namely General Management, Accounting and Finance, Marketing and Sales and Production. The small business indicated that their educational needs were 'practical' in nature and there was a greater need for education in the Production functions than other functional areas. This functional area ranked highly as the educational needs of the small business owner-managers sampled.

It was also established that there was considerable agreement between the areas of interest elicited from the Repertory Grid Interviews and those listed in the priori list. The 10 most popular topics, ranked in terms of the level of interest, are as follows:

1. Production Planning & Control (P)
2. Site Organisation (P)
3. Employee Supervision (P)
4. Cost Control (P)
5. Business Planning (M)
6. Working Capital management (F)
7. Health & Safety (M)
8. Quality Control (P)
9. Estimating & Costing (S)
10. Financial Planning (F)

8.3.4 Other Results And Findings

In addition to the specific questions, a good deal of other useful data and information was developed from this investigation. This information will be of value to providers of small business courses in designing programmes that will fit the special needs of the small business customer. Details on such matters as the timing of courses offered, the identity of the training personnel and the training course format are invaluable aids in marketing training programmes more efficiently to these highly skeptical customers.

It was clear from the result that, although a larger

number of owner-managers were not interested, there are others who are very keen to participate in future training. It must be recognised that this stance is by no means absolute. The attitudes or perspectives of either group may change with time. The owner-managers, generally, expressed feelings of doubt about the ability of trainers to provide the type of skills and knowledge they needed. This credibility issue must be resolved and owner-managers need to be confided in the value of education and training. Further, it is reasonable to expect that higher degrees of interest can be achieved if more appropriate provisions and more convincing marketing techniques are utilised.

8.4 Conclusions

Following the analyses, the conclusions are that, there exists a variety of interests in education and training within the small firm sector sampled. The level of interests exhibited by the owner-managers were influenced by a variety of factors which are related to the personal needs of the owner-managers as well as the needs of the business. However, in general, owner-managers evaluation of training seemed to be the most significant factor.

With regard to areas of interest for training, a number of important topics have emerged.

8.5 Recommendations For Action

- a) Further Research - A similar study but on a larger scale and covering a wider geographical area should be conducted so that the result of this study can be further validated. In addition, further insight into the needs of and interests in education and training of small business owner-managers could be augmented.

- Further investigation as to the difference in educational needs and interests related to other characteristics, for example sex of owner-managers, geographical areas, specialties, etc may also be helpful.

- This study investigated small construction firms. The potential needs and interests of small business owner-managers in other sectors, for example the rapidly growing service area should also be investigated.

- b) Scheduling of Courses - Generally, the data indicated that it is difficult for the small business managers to attend training course due to time constraints. However, it appears that most managers can make time available somehow. Training could be more accessible for the managers if:

- i) Courses are offered during Winter months i.e. when construction activities are at their

lowest.

- ii) Courses are short, preferably on a one full day basis, conducted locally and cost not more than one hundred pounds.
- c) Course Format - The result of this study suggested that owner-managers preferred training programmes which are highly interactive. Small group discussion was the preferred setting. Given the small business managers' apparent preference for 'learning' through their peers, (such as close contacts, friends and business associates) the services of these group of people could be utilised in training courses. Experiential learning approaches, such as 'Action Learning', are highly recommended. In such a setting, the owner-managers will be able to share their problems and learn from somebody who had actually faced similar problems. Research could then be attempted to measure the effectiveness of this approach compared to that of conventional courses.
- d) Course Content - One of the major concerns mentioned by managers was the lack of relevance between what they needed and what was offered. This mismatch can have serious consequences on the managers' continued participation in training. Taking this into account, and considering the difficulty the small business managers faced in assessing their training needs, training providers

could contribute by providing a service package which includes both the assessment of training needs and the offering of training programmes.

- e) Reaching The Customer - Training is only effective if owner-managers participated in the venture. The result of this study showed that managers who had previous experience in training displayed a higher level of interest in training. This finding suggested that there is a need for a scheme to encourage owner-managers of small businesses, who have never had any experience of training, to try it out. The basis of this suggestion is that once they have attended training, they are more likely to perceive its value and therefore wish to make use of training in the future on their own initiative. To achieve this, more effective marketing strategies must be employed.
- f) Segmenting The Market - Programmes must be designed for each specific target audience. Further, there should be a concentration of efforts in designing programmes that are targeted at those segments of the market shown in this study to be most inclined towards attending training courses.

In general, a consistent outcome was observed in the analyses of the responses to all 3 methods of data collection used. This consistency provided ample evidence that there is a broad agreement between the managers with regard to their

views of education and training. Further, the consistency of the findings signified that the responses given were representative of the view of education and training held by the respective groups. The results have provided evidence that the small business owner-managers' perceptions of education and training are a major driving force which shapes and influences their interest in education and training.

In conclusion, the investigation has achieved the purpose it was designed for. Although the list of factors is by no means complete, the findings can provide useful pointers with regard to the factors which affected the small business owner-managers' interest in education and training.

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APPENDICES

**APPENDIX A: A Sample Of The Main Questionnaire And
Covering Letter**

Heriot-Watt University

Department of Building

Riccarton,
Edinburgh EH14 4AS
Tel. 031-449 5111
Fax. 031-449 5153

your ref:

our ref: VBT/SDF

date: as postmark

Dear Sir/Madam,

TRAINING NEEDS OF SENIOR MANAGERS IN CONSTRUCTION COMPANIES

Attached is a questionnaire being sent out by one of the research assistants in this Department, Mr. A. Mahmood, who is a lecturer on the academic staff of the University of Science in Malaysia and who is working for a Ph.D. degree by research in this Department. As a major part of Mr. Mahmood's research he is carrying out a survey of the training needs of senior managers in a range of construction companies in the Central Belt of Scotland.

We shall be very grateful if you will complete and return this questionnaire, together with your observations on it and your agreement to participate in this study. This information is not only vital to Mr. Mahmood's research programme but is of major interest to this University in looking at how it can participate in providing the management development needs of different categories of companies in the construction industry in Scotland.

I am very well aware of how difficult it is for busy managers to find the time to fill in a lengthy questionnaire of this nature. However, the information which you can provide through this questionnaire is vital to us and I urgently request you to give us some of your valuable time in providing the information required.

Of course, your reply will, as is usual in these circumstances be treated with the strictest confidentiality. Please contact me direct if you wish to discuss this matter further or would like further information.

Head of Department and

Professor of Building Services Engineering,
William Watson Professor of Building,

J A Swaffield, BSc, MPhil, PhD, CEng, MRaEs, FIWEM, MCIBSE
V B Torrance, BSc, MSc, PhD, FCIQB, FBIM, FRSA



Heriot-Watt University

Department of Building

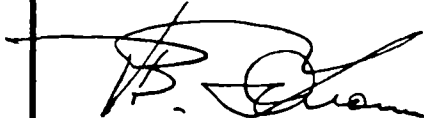
Riccarton,
Edinburgh EH14 4AS
Tel. 031-449 5111
Fax. 031-449 5153

As you participate in this study, we shall keep you informed of its progress and will make available to you the results, in due course. These results will be treated in such a way that the companies who participate in this study will remain anonymous. Any particular interests or needs that you have will be dealt with by us directly with you, in order to maintain this confidentiality.

I very much look forward to your active co-operation with this research project.

With best wishes,

Yours faithfully,



Professor V. B. Torrance

Head of Department and
Professor of Building Services Engineering,
William Watson Professor of Building,

J A Swaffield, BSc, MPhil, PhD, CEng, MRaES, FIWEM, MCIBSE
V B Torrance, BSc, MSc, PhD, FCIQB, FBIM, FRSA



**MANAGEMENT TRAINING NEEDS OF OWNER-MANAGERS AND MANAGERS OF
CONSTRUCTION COMPANIES**

Dear Sir/Madam,

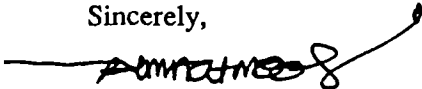
The Department of Building, Heriot-Watt University, is conducting research into companies in the construction industry with the purpose of identifying management training requirements. In order to enable us to do this, we are sampling a number of building companies in Scotland. We would like your help, to answer the questionnaire that follows, to make the study a success.

The questions are aimed at giving us some very significant information about yourself, your company and your business development needs. The answers you give will help provide information that can contribute more to understanding your training needs and preferences so that educational and training programmes can be updated and improved. We hope you will agree that this is an important study and will take time from your busy work schedule to fill out the questionnaire carefully.

Since only a representative sample of Owner-Managers and Managers of building companies are being sent this questionnaire, it is important that your reply be returned. An addressed, stamped envelope is enclosed for your convenience. Please be assured that your response will be held confidential and you will remain anonymous.

Thank you for your participation in this study.

Sincerely,


A. Mahmood,
Department of Building,
Heriot-Watt University, Riccarton,
Edinburgh EH 14 4AS

Note for guidance in completing questionnaire.

-
- a) The questionnaire is 8 pages long and are printed on both sides of the paper.
 - b) To make the questionnaire as quick and easy as possible the majority of questions only require you to tick the appropriate box or circle the appropriate number.
 - c) The questionnaire should be completed by the Owner-Manager or Principal Manager of the Company.
 - d) Please return the questionnaire within 2 weeks from the date of post-mark.

BACKGROUND INFORMATION:

1. In what year was the Company established? [19:]
2. Are you the founder of the Company? [] Yes [] No
3. Do you own the Company at the present time? [] Yes [] No
If Yes, please indicate percentage owned: [%]
4. How many people does the Company employ at the present time, either full-time or part-time?

Type of employee(direct)	Full-time	Part-time
Managerial/Supervisory(including yourself)....	[]	[]
In other jobs.....	[]	[]
Total	_____	_____

COMPANY MANAGEMENT & PERFORMANCE:

5. What are the main objectives of your business? Please indicate the degree of importance of each of the objectives given below.

Objective of business	Very I m p o r t a n t					Not
	1	2	3	4	5	
a) Provide financial support for self/family....	[]	[]	[]	[]	[]	[]
b) Provide employment for self/family.....	[]	[]	[]	[]	[]	[]
c) Earn as much money as possible.....	[]	[]	[]	[]	[]	[]
d) Grow into a large firm.....	[]	[]	[]	[]	[]	[]
e) Provide inheritance for your children.....	[]	[]	[]	[]	[]	[]
f) Other(please specify)						
i) _____	[]	[]	[]	[]	[]	[]
ii) _____	[]	[]	[]	[]	[]	[]

6. How successful, do you judge, your business has been in terms of achieving those objectives(which are very important or important to your business)?

[] Very successful	[] Not very successful
[] Successful	[] Not successful
[] Fairly successful	

7. Is there any one main external source from where you have gained help/advice in developing your business?

[] Yes (please indicate source below) [] No

[] Bank	[] Business Consultant
[] Accountant	[] Local Polytechnic/College
[] C.I.T.B.	[] Trade Federation - N.F.B.T.E, F.M.B, etc.
[] Small Business Center	[] Professional Institute - C.I.O.B, I.Q.S, etc.
[] Other Businessmen	[] Other (please specify)
[] Small Business Club	_____

8. How many times have you obtained help/advice from the source stated above during the last 2 years.

- | | |
|--------------------------------------|--|
| <input type="checkbox"/> Once | <input type="checkbox"/> 2 - 3 times |
| <input type="checkbox"/> 4 - 5 times | <input type="checkbox"/> more than 5 times |

9. How satisfied are you with the help/advice provided to you?

- | | |
|---|---|
| <input type="checkbox"/> Very satisfied | <input type="checkbox"/> Not very satisfied |
| <input type="checkbox"/> Satisfied | <input type="checkbox"/> Not satisfied |
| <input type="checkbox"/> Fairly satisfied | |

10. This question requests some information about your company within the last 3 years. Please respond by writing the answer in the space provided.

	1987	1988	1989
Total Paid-up Capital*.....	[]	[]	[]
Number of direct employees.....	[]	[]	[]
Gross Annual Turnover*.....	[]	[]	[]

Note:

* Write monetary value to the nearest thousand pounds.

11. How satisfied are you with the present performance of your business?

- | | |
|---|---|
| <input type="checkbox"/> Very satisfied | <input type="checkbox"/> Not very satisfied |
| <input type="checkbox"/> Satisfied | <input type="checkbox"/> Not satisfied |
| <input type="checkbox"/> Fairly satisfied | |

12. How would other Owner/Manager of building companies think of your Company?

- | | |
|---|--|
| <input type="checkbox"/> One of the most successful | <input type="checkbox"/> One of the least successful |
| <input type="checkbox"/> One of the successful | <input type="checkbox"/> One of the unsuccessful |
| <input type="checkbox"/> One of the fairly successful | |

PAST TRAINING & EXPERIENCE:

13. How many years have you been involved in the building business?

- | | |
|--|---|
| <input type="checkbox"/> Less than 5 years | <input type="checkbox"/> 15 - 20 years |
| <input type="checkbox"/> 5 - 10 years | <input type="checkbox"/> more than 20 years |
| <input type="checkbox"/> 10 - 15 years | |

14. How long have you been the Owner/Manager of this Company?

- | | |
|--------------------------------------|--|
| <input type="checkbox"/> 1 years | <input type="checkbox"/> 2 - 3 years |
| <input type="checkbox"/> 4 - 5 years | <input type="checkbox"/> more than 6 years |

15. How many business have you managed before the present one?

- | | |
|--------------------------------------|--|
| <input type="checkbox"/> 1 company | <input type="checkbox"/> 2 companies |
| <input type="checkbox"/> 3 companies | <input type="checkbox"/> 4 or more companies |

16. Have you ever failed in a business before?

☐ Yes

☐ No

17. Since becoming an Owner/Manager, have you taken any training to help you manage your business better?

☐ Yes

☐ No

If No, please indicate the reason which is most appropriate to yourself when you decide not to take training. You may tick more than once.

☐ Cannot be away from business

☐ Not needed

☐ Unaware of any useful courses

☐ Not at convenient time

☐ Expenses involved not justified

☐ Fees too high

☐ Too far to go to courses

☐ No suitable local courses

☐ Other (please specify) _____

Proceed to question 20 when you have finished.

18. How many time/s, in the last 2 years, have you attended training courses either in the Company or externally?

☐ Once

☐ 2 - 5 times

☐ 6 - 10 times

☐ More than 10 times

19. How would you rate the course/s that you have attended, with respect to the following statements?

	Absolutely Agree			Absolutely Disagree	
	1	2	3	4	5
Advantages of training					
a) I was able to increase my management skills and knowledge.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) I was able to locate and identify serious problems in my business.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) I made changes in my business as a result of the training attended.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) My business was helped.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

BUSINESS DEVELOPMENT NEEDS:

20. Have there been any barrier/s to the development of your business?

☐ Yes

☐ No

If Yes, Please write the most important factor/s which has negatively affected development of your business.

21. The activities or tasks' which Owner-Managers and Managers of small building companies are involved in the course of managing their business are listed below. Please respond to each activity 4 times.

In Section 1: Please indicate the degree of importance of that activity to the on-going of your business.

In Section 2: Please indicate the degree of difficulty, that you feel, in handling the activity.

In Section 3: Please indicate the degree of need that your business currently has, or expects to have within the next 2 years, for further improvement in that activity.

In Section 4: Please indicate the degree of interest that you have, to receive training in that activity/task (assuming a programme that suits your need/s is/are available)

Illustration:

a) Employee supervision..... 1 2 3 4 5 1 2 3 4 5 1 2 3 4 5 1 2 3 4 5

The illustration above shows that Employee Supervision is very important to the on-going of your business, but you face little difficulty in handling the task, however, further improvement is needed and you are fairly interested to attend training.

	Section 1					Section 2					Section 3					Section 4				
	Importance to on-going of business					Difficulty in handling					Need for further improvement					Interest in training				
	Very Important				Not Important	Very Difficult				Not Difficult	Much Needed				Not Needed	Very Interested				Not Interested
Production:	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
a) Employee supervision.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
b) Quality control.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
c) Plant & Materials control.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
d) Production planning & control.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
e) Site organisation.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
f) Productivity control.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
g) Cost control.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
h) Other (please specify)	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5

	Section 1					Section 2					Section 3					Section 4				
	Importance to on-going of business					Difficulty in Handling					Need for further Improvement					Interest in Training				
	Very Important	Not Important	Very Difficult	Not Difficult		Much Needed	Not Needed	Very Interested	Not Interested		Very Interested	Not Interested		Very Interested	Not Interested		Very Interested	Not Interested		
Marketing & Sales:	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
a) Market analysis & planning.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
b) Advertising & promotion.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
c) Estimating & costing.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
d) Public relations	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
e) Land acquisition.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
f) Other(please specify)	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
Accounting and Financial Management:	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
a) Working Capital management.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
b) Financial planning & budgeting.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
c) Understanding financial statement..	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
d) Loan packaging.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
e) Insurance & Risk management.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
f) Accounting.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
g) Tax planning.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
h) Other (please specify)	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
General Management:	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
a) Business Planning.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
b) Dealing with people/authorities.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
c) Health and Safety.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
d) Contracts management.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
e) Industrial relations.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
f) Communication.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
g) Leading & managing people.....	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5
h) Other (please specify)	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5	1	2	3	4	5

22. How likely are you to attend training if suitable course/s in any of these areas are offered?

- | | |
|--------------------------------------|--|
| <input type="checkbox"/> Most likely | <input type="checkbox"/> Unlikely |
| <input type="checkbox"/> Likely | <input type="checkbox"/> Most unlikely |
| <input type="checkbox"/> Don't know | |

23. If you needed training to help you in your business, which of the following method would you prefer? You may tick more than once.

- | | |
|---|--|
| <input type="checkbox"/> a) Lecture by University faculty | <input type="checkbox"/> e) Specific problem clinics, workshops |
| <input type="checkbox"/> b) Discussions led by University faculty | <input type="checkbox"/> f) Lectures by experts (accountants, etc) |
| <input type="checkbox"/> c) Discussion led by other businessmen | <input type="checkbox"/> g) Self study programs |
| <input type="checkbox"/> d) Working with a consultant | <input type="checkbox"/> h) Other (please specify) _____ |

Please indicate which of the method you ticked above is your most ideal choice? ☐

24. Please rate your preference of each training format listed below if you are going for training. Please circle the appropriate number for each of the format listed.

	Preferred	Acceptable	Unacceptable
<u>Time of Year:</u>			
Autumn months.....	1	2	3
Winter months.....	1	2	3
Spring months.....	1	2	3
Summer months.....	1	2	3
<u>Length of Course:</u>			
One full week.....	1	2	3
2 or 3 consecutive days.....	1	2	3
One day per week for several weeks.....	1	2	3
One full day.....	1	2	3
Evenings.....	1	2	3
<u>Training Provider:</u>			
C.I.T.B.....	1	2	3
University/Polytechnic			
@Business School.....	1	2	3
@Construction Management School	1	2	3
Private Training Organisation.....	1	2	3
Further Education College.....	1	2	3
Professional/Trade Association.....	1	2	3
<u>Site of Instruction:</u>			
Within the Company premises.....	1	2	3
Within 20 miles travel distance	1	2	3
20 - 50 miles.....	1	2	3
More than 50 miles.....	1	2	3
<u>Cost of Instruction (per course):</u>			
Below 50 pounds	1	2	3
50 - 100 pounds.....	1	2	3
101 - 150 pounds.....	1	2	3
More than 150 pounds.....	1	2	3

25.A list of factors which might be used in choosing a training course is provided below. Please rank the factors, from 1 to 7, in terms of it's importance to you, when deciding to select a training course. Please assign number 1 to the most important factor and number 7 to the least important factor.

- | | |
|--|---|
| <input type="checkbox"/> Provider of course | <input type="checkbox"/> Course fee |
| <input type="checkbox"/> Site of instruction | <input type="checkbox"/> Course content |
| <input type="checkbox"/> Method of instruction | <input type="checkbox"/> Course timing |
| <input type="checkbox"/> Qualification/Experience of presenter | |

26.Please indicate to what extent do you agree or disagree to the following statements? Please tick the appropriate box once for each of the statement.

	Absolutely Agree			Absolutely Disagree	
	1	2	3	4	5
a)A person with formal business management training, starting a business, has a better chance of doing well as a business owner.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b)Attending college or university before going into business has been helpful to me in running my business.(skip if no college).....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c)Formal management training is important to the success of a business.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d)The owner or manager of a business should seriously consider attending training courses if the company is to grow into larger company.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e)The owner or manager of a business would seriously consider attending training courses if they are convinced that the material taught are of practical value to their business.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PERSONAL INFORMATION:

27.Please write year of birth? 19 [____]

28.What is your sex? ☐ Male ☐ Female

29.Please indicate the highest level of formal education you have attained.

- ☐ Craft certificate related to construction industry
- ☐ Technician certificate related to construction industry
- ☐ Degree courses related to the construction industry
- ☐ Degree courses not related to construction industry
- ☐ Other further education courses related to construction industry
- ☐ Membership of Professional bodies(by examination)
- ☐ Other (please specify) _____

30. Please write your comment (if any) on the questionnaire in the spaces provided below:

I am hoping to personally follow up a sample of companies on a geographical and size basis, would you be prepared to answer further questions to help with this research?

☐ Yes

☐ No

If Yes, would you please fill in your name and contact telephone number.

Name: _____

Address: _____

_____Telephone no: _____

THANK YOU FOR YOUR PARTICIPATION IN THIS STUDY.

APPENDIX B: A Sample Of The Follow-Up Letter Sent To Non-Responding Firms

Heriot-Watt University

Department of Building

Riccarton,
Edinburgh EH14 4AS
Tel. 031-449 5111
Fax. 031-449 5153

Our Ref: VBT/al

Date: as postmark

Dear Sir/Madam:

TRAINING NEEDS OF SENIOR MANAGERS IN CONSTRUCTION COMPANIES

About weeks ago I sent you a questionnaire seeking your assistance and asking for information concerning the potential future training needs of one or two key personnel in your company. You will appreciate that only you can supply this information. I regret very much that I have not yet received your reply.

As you will see, I have enclosed a copy of the original letter sent to you together with a second copy of the questionnaire.


I am very much aware of how difficult it is for busy managers like yourself to take the time out of your work schedule in order to fill in a lengthy questionnaire of this nature. However, the information which you can provide is essential for our current research program. It is also essential for our future planning of the necessary courses and related information which companies of yours may require.

Therefore, may I earnestly request your cooperation and your very valuable assistance in completing and returning the attached questionnaire.

Your cooperation will be deeply appreciated.

With best wishes,

Yours faithfully,



Professor V. B. Torrance

Head of Department and
Professor of Building Services Engineering, J A Swaffield, BSc, MPhil, PhD, CEng, MRAS, FIWEM, MCIBSE
William Watson Professor of Building, V B Torrance, BSc, MSc, PhD, FCIQB, FBIM, FRSA



4.3

3.

- 5

3.

0

APPENDIX D: A Sample Of The Personal Project Questionnaire

PERSONAL PROJECT ANALYSIS.

We are interested in studying the kinds of activities and concerns that you are involved in at work or which you think have a bearing on your work. We call these personal projects. All of us have a number of personal projects at any given time that we think about, plan for, carry out, and sometimes (though not always) complete.

Examples of projects related to your work setting might be:

Expand area of business.
Hire a new Site Supervisor.
Getting more outdoor exercise.*
Introduce a new product/service.
Purchase a new Computer for the office.
Improving the image of the Firm.
Redecorating the Office.*
Quit smoking.*

*Notice that projects like "Getting more outdoor exercises", "Redecorating the office", and "Quit smoking" could be included if you thought they had a bearing on your day-to-day work activities.

We are interested in finding out how you feel about these personal projects, how enjoyable they are, and so on. We would appreciate it if you could begin by just writing down in the next ten minutes as many personal projects as you can that you are engaged in or thinking about at the present time - remember these are not necessarily formal projects, or important ones - we would prefer you to give us more of the everyday kind of activity that characterise your job at present.

List of Projects:

Please write down as many as you can in the next ten minutes

1 _____	2 _____

3 _____	4 _____

5 _____	6 _____

7 _____	8 _____

9 _____	10 _____

11 _____	12 _____

PERSONAL PROJECT MATRIX.

	1.Importance.	2.Enjoyment.	3.Difficulty.	4.Control.	5.Initiation.	6.Stress.	7.Time Adequacy.	8.Outcome(likelihood of success).	9.Self Identity(how typical of you).	10.Other's View(of importance).	11.Value Congruency(consistency with your values)	12.Positive Impact.	13.Negative Impact.	14.Progress.	15.Challenge.
1.															
2.															
3.															
4.															
5.															
6.															
7.															
8.															
9.															
10.Management Training.															

INSTRUCTION:

1. From your initial list, select 9 projects which you are most likely to engage in over the next month or so. Copy the projects in as brief a form as possible into the spaces provided. Just make your description long enough to keep each project clearly in mind. If you wrote fewer than 9, see if you can think of several more, or break down some of those you listed into several projects. It is important for everyone to try to fill in 9 projects.

2. As the purpose of the questionnaire is to study the importance of training in a broader context of management activities, one of the personal projects should be "Management Training (attending short courses)". As you can see "Management Training" is listed in the table as project 10.

3. In column 1 to 15 please rate each one of the projects on a 7 point scale using the dimensions given. Remember that numbers between 1 and 7 can also be used. A detail description of each of the dimension is given on page 3 together with an explanation of the scale and points (i.e no 1 or no 7)

DESCRIPTION OF DIMENSIONS:

1. **Importance:** how important each project is to you at the present time (use 7 if project is very important to you and 1 if it is not at all important)
2. **Enjoyment:** how you enjoy working on each project (use 7 if you enjoy it a great deal and 1 if you do not enjoy it at all)
3. **Difficulty:** how difficult you find it is to carry out each project (use 7 for very difficult and 1 for not difficult at all)
4. **Control:** how much you feel you are in control of each project (use 7 for a project where you feel you are in complete control and 1 for a project over which you feel you have no control at all)
5. **Initiation:** how much you feel responsible for having initiated each project (use 7 if you feel fully responsible and 1 if you feel you have taken no part whatsoever in initiating the project)
6. **Stress:** how stressful it is for you to carry out each project (use 7 if the project is very stressful to carry out and 1 if it is a very relaxing project)
7. **Time Adequacy:** how much you feel that the amount of time you spend working on each project is adequate (use 7 if you feel that the amount of time spent is perfectly adequate and 1 if you feel the amount of time you spend working on the project is not adequate at all)
8. **Outcome:** what you anticipate the outcome of each project to be (use 7 if you think that a project will be extremely successful and 1 if you think the project will be a total failure)
9. **Self-Identity** how typical of you each project is (use 7 if a project is very typical of you and 1 if it is not at all typical of you)
10. **Other's view:** how important each project is seen to be by relevant people who are close to you (use 7 if the project is seen by others to be very important and 1 if the project is seen as not important at all)
11. **Value Congruency** to what extent each project is consistent with the values which guide your life (use 7 if a project is totally consistent with your values and 1 if a project is totally at odds with them)
12. **Positive Impact:** how much you feel that each project helps the others. Don't worry if it hinders or not, we'll get to them on the next dimension (use 7 to indicate that a project greatly increases your chances of working on other projects and 1 to indicate it does not have any positive effect)
13. **Negative Impact:** how much you feel that each project hinders other projects (use 7 to indicate that a project seriously hinders your chance of working on other projects and 1 to indicate that it has no negative effect)
14. **Progress:** how successful you have been in each project so far (use 7 to indicate that you have been very successful and 1 to indicate that you have had no success at all)
15. **Challenge:** to what extent each project is demanding and challenging to you (use 7 if a project is most challenging and 1 if it is not challenging at all)

PROJECT CROSS-IMPACT MATRIX.

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10. Management Training.
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.										
10. Management Training.										

INSTRUCTION:

Finally, please list the nine projects in the rows and columns provided.

Starting with project 1(in row), please indicate how, carrying out the project will impact the adjacent project(project 2 in column 2). Please indicate the impact by placing the appropriate signs in the cell joining the two projects.

Very Positive (++)

Positive (+)

Neutral (0)

Very Negative (--)

Negative (-)

Ambivalent (00)

Complete the same analysis on project 3 until the impact of project 1 on the remaining nine project has been asessed.

Please appraise the impact of project 2 and all other remaining projects in identical fashion until the full matrix of 90 comparisons is completed.

APPENDIX E

Barriers To Development Of Business

- 1 Bad Professional Advisers
- 2 Inconsistent management
- 3 Lack of Quantity Surveyor
- 4 Difficulty getting skilled Workers
- 5 Lack of direction/No goal set for business
- 6 Inability to recruit Junior staff to allow Senior staff to concentrate on business.
- 7 Financial problem
- 8 Local political pressures
- 9 Lack of Time
- 10 Inefficient Financial Control System
- 11 High interest rates
- 12 Lack financial backing/Non-availability of fund
- 13 Low market profile
- 14 Slow sales
- 15 Financial climate in the Building industry (in Scotland)
- 16 Not enough work
- 17 Time
- 18 Availability of jobs
- 19 Stress
- 20 Capital resources
- 21 Non-availability of top management and entrepreneurial staff
- 22 Lack of co-operation from Council to expand premises
- 23 Getting the right employee (dedicated employee)
- 24 Lack of Capital
- 25 High cost of borrowing
- 26 No management structure/One man band
- 27 Lack of capital
- 28 Cash-Flow difficulties
- 29 Black economy
- 30 Lack financial backup (especially for high risk projects)
- 31 Lack of suitable premises in the area
- 32 Lack of management time
- 34 Shortage of skilled workers
- 35 High interest rates
- 36 Difficulty complying with regulations
- 37 Lack time to concentrate on management
- 38 Paperwork
- 39 Lack support from authorities
- 40 Difficulty getting skilled personnel

APPENDIX F

List Of Constructs Elicited From Sub-Sample

Important to business
Frequently used
Provide useful information
New ideas/Improvement/opportunity to learn
High level of skills
Detachment/No internal influence
Try to influence/Get their views out
Meet targeted need
Can choose right consultant or staff
Practical oriented
Unsure of result
Opportunity to learn
Used before/No experience of benefit
Can help business development
Continuous
Immediate action
Keep up with need
Good second opinion
More alternatives
Professional knowledge
Practical (real) experience
Relevant information
Meet targeted need
Real Business skill/knowledge
Implicit knowledge
No cost/Reduce cost
Take the risk/Responsibility
Keep up to date/outdated
Immediate reaction/Slow
Have time to plan
Never used
No business skill
Don't know what offered
Input might not be practical
No time to go
From within
Know the firm (limitation or strength)
Able to respond correctly
Cost
Specialist knowledge
Right decision
Able to identify problem more clearly
People we knew
Aware of their skill/knowledge
Can select according to business need
Knowledge of business/Speak same language
Understand business situation/Aware of limitation
Don't know who to choose
Take no risk
Informal- Normal business routine
Business uninterrupted
No cost

List Of Constructs (Continued)

Knowledge of business
Knew company problem
Mutual interest
Self-assurance
Skilled/Professional
Offer new knowledge
Transfer of risk
Worrying decisions
Mental stress
Used
Always available
Quick
Expert knowledge
Release pressure
Greater degree of accuracy
Meet specific requirement
Free/Cheap
Similar interests/perspectives
Same training background
General perception of problem/Specialist view
Closer to problem
Internal
Personal satisfaction
Informal/Spend time away
Short cut/ Allow immediate action
Needed/Important to business
Appropriate practical experience
Business is fine
See no need
Take time
Actually involved in business
Have right experience
Sure of services provided/What they can offer
Meet new friends
Practical business experience
Need to leave business
New ideas
Have Integral knowledge of firm
Accurate diagnosis/solution
Highly motivated/Not motivated to do their best
High degree of loyalty
Can trust
Part of Business/Things go as usual
No effect on performance
Never used
Cannot help business
Not needed
We knew ourselves better
Telling out yourself
Dependent on others
Bad for business
No time to attend
No one to see business
Not relevant (now) too small
Quick/Immediate solution to problem
Feeling right - doing it right

List Of Constructs (Continued)

Knew problem more than others
Worry of work during absence
No cost
In control of situation
Increased confidence
Get up to date knowledge
Knowing people - get contact
Sharing problems
Look at problem from different angle
Pride - in doing things yourself
No cost to business
Quick
Personally involved - in business
Knowledge of business
Know strength and limitation
Felt confident/Know what is being done
Personal satisfaction
Knew the problem better
Speed
Little technical know-how
Hastiness - might be misled by need for speed
Informal
No need to take time away
Free
Common - used all the time
Can see direct benefit
Chance to learn new things - keep up with development
Get stronger background knowledge
New ways of doing things
Handy - available all the time
Might get wrong advice
Access to new ideas
Can develop oneself/Personal development
Help make right decision
Knowledge available all the time
Quick decision
Enhance progress
Feel good
Be in command/Be responsible
Knew what is needed
Maintain self-interest
Good for new/disastrous area
Ability to stand back and look
Independent of company
High technical expertise
Cost
Using others experience
A lot of new information
Ability to mix/Learn from others
Exchange of views
At own time
Difficult to find suitable courses
Ability to choose
Time to attend
Good for Man-management
No knowledge of industry

List Of Constructs (Continued)

No cost
Wrong advice
Knew the trade/business
Able to appreciate opportunities/limitations
Personal satisfaction
Professional/Expert opinion
Alternatives
Release pressure from managers
Not sure of benefit
Good basis for learning
Contribute to running of business
Take time to learn
Interrupt business
Quicker
Free
From within the business
Normal course of business
For difficult problems
New ideas
Long term solution
Build up image of firm
Take longer to recognise benefit
Knowledge available all the time
External source
Limitless - wide area of expertise
More efficient
Ability to learn/Access to wider knowledge
Utilise knowledge of others
Exchange of ideas/views
Widen network of business contacts
Better equipped - with knowledge
More efficient management
Day to day routine
Easy problem
Quick decision
In depth knowledge of business - react appropriately
Obtain expert advice
Highly skilled
Independent
Can learn new things
Take time away

APPENDIX G

List Of Personal Projects For Sub-Sample

- 1 Form Holding Company
- 2 Plan linkage between Companies
- 3 Staffing & job description
- 4 Group/Corporate image for each Company
- 5 Completion of office refurbishment
- 6 Installation of business systems
- 7 Install C.A.D/Contract Planning Systems
- 8 Day to day systems management
- 9 Marketing strategy for each Company
- 10 Computerisation of office
- 11 Gymnasium for employees
- 12 New main office
- 13 Changing frontage of warehouse
- 14 Refurbishing D.I.Y department
- 15 Changing showroom for K & B Section
- 16 Reducing overheads
- 17 New ledger system
- 18 Changing motor transport
- 19 Introduce marketing brochure
- 20 Implement Stock Control System
- 21 Extend computer software
- 22 Re-Organise middle management
- 23 Reduce number of vehicles in use
- 24 Consider further diversification
- 25 Plan business entertainment
- 26 Reconstruct pension scheme
- 27 Operate a share option scheme
- 28 Hire new supervisor
- 29 Look at new car
- 30 Quality control
- 31 Check apprentices
- 32 Purchase land
- 33 Arrange holidays
- 34 Play more golf
- 35 Change office computers
- 36 Build conservatory
- 37 Reintroduce management review
- 38 Delegate more
- 39 Re-Organise computers-for job costing
- 40 Expand area of business
- 41 Get more exercise
- 42 Introduce efficient safety system
- 43 Introduce company training scheme
- 44 Profit sharing scheme
- 45 Improve my game shooting
- 46 Expand business
- 47 Employ more personnel
- 48 Purchase more land, plot of ground etc
- 49 Improve on advertising areas
- 50 Search for other means of financing
- 51 Improve on refurbishment services
- 52 Improve on marketing

List Of Personal Projects (Continued)

- 53 Improve image of firm
- 54 Improve on personnel
- 55 Increase production
- 56 Increase plant & vehicle business
- 57 Increase Foremen responsibilities
- 58 Improve estimating methods (computers)
- 59 Improve time-keeping
- 60 Quit smoking
- 61 Increased safety training
- 62 Encourage youngsters into industry
- 63 Improve training methods
- 64 Lose weight
- 65 Property maintenance
- 66 Expand business
- 67 More leisure time
- 68 Staff training
- 69 Dispose old files
- 70 New heating system
- 71 Renew existing transport
- 72 Charitable works
- 73 Loosing weight
- 74 Changing car
- 75 Re-Organising daily work load
- 76 Start using a week planner
- 77 Complete two estimates weekly
- 78 Sell old car
- 79 Set date for partners meeting
- 80 Work on agenda for partners meeting
- 81 Organise venue for partners meeting
- 82 Prepare public relations brochure
- 83 Update quotes
- 84 Collect outstanding retention
- 85 Clear old files
- 86 Examine competitor's show houses
- 87 Attend to outstanding 'snagging' items
- 88 Up-grade sub-contractors list
- 89 Make new signboard
- 90 Follow-up on site for sale
- 91 Extend client base
- 92 Up-grade premises
- 93 Additional staff
- 94 Up-grade equipment
- 95 Mobile pager
- 96 Re-Organise office procedures
- 97 Re-Organise yard
- 98 Training for site staff
- 99 New vehicle
- 100 Improve access
- 101 Branch into speculative building
- 102 Update vehicles
- 103 Pay less tax
- 104 Control paperwork more efficiently
- 105 Be more aggressive when buying materials
- 106 Reduce wastage
- 107 Improve relation with private clients
- 108 Play more golf

List Of Personal Projects (Continued)

- 109 Installing new computer system
- 110 Refurbishing head office
- 111 Maintaining business level
- 112 Seeking growth
- 113 Prepare corporate brochures
- 114 Analysis of overheads
- 115 Cash-Flow review
- 116 Eliminate borrowing
- 117 New word processors
- 118 Improving office facilities
- 119 Expansion via advertising
- 120 Cost control improvements
- 121 Image improvement
- 122 Lose weight
- 123 Mobile telephone
- 124 Stock control improvement
- 125 Purchase new lorry
- 126 Consider new service possibilities
- 127 Design company logo
- 128 Prepare company brochure
- 129 Inspection of competitors show houses
- 130 Introduce new filing system
- 131 Paint site huts
- 132 Monitor company van mileage
- 133 Spend more time on sites
- 134 Follow-up on deals for purchase of site
- 135 Examine quality of work by apprentices
- 136 New office and toilets
- 137 Re-Organise storage areas
- 138 Purchase new lorry
- 139 Improving company image & advertising
- 140 More site visits and checking
- 141 Tightening up cost control
- 142 losing weight
- 143 Mobile phone
- 144 Improving overall profitability
- 145 Redecorating the office
- 146 Finding new funders
- 147 Expand business areas
- 148 Expand leisure activities
- 149 Further flying training
- 150 Improve firms image
- 151 New office premises
- 152 Join business clubs
- 153 Take part in local politics
- 154 Improving the image of the firm
- 155 Prompt settlement of accounts
- 156 Efficiency of labour and materials
- 157 Maximising labour force
- 158 Improving communications with clients
- 159 Improving the image of the firm
- 160 Provide training for young persons
- 161 Considering expansion
- 162 Purchasing another vehicle
- 163 Expand area of business
- 164 Get more work

List Of Personal Projects (Continued)

- 165 Improving image of company
- 166 Reduce amount of borrowing
- 167 Locating new premises
- 168 Staff training scheme
- 169 Finalising office development project
- 170 Finalise personal financial planning
- 171 Buying a new boat
- 172 Find new source of funding
- 173 Improve image of firm
- 174 Buy new vehicle/van
- 175 Extension of existing office
- 176 Purchase new computer for office
- 177 Hire new supervisor/foreman
- 178 Expand network of business contact
- 179 Tighter control of overheads
- 180 Plan more aggressive marketing